

**AUBURN CITY COUNCIL
SPECIAL SESSION AGENDA**

City Hall, Council Chambers
1225 Lincoln Way, Auburn, CA 95603

June 29, 2009

Special Session 5:00 p.m.

Meeting facilities are accessible to persons with disabilities. Requests for Assistive Listening Devices or other considerations should be made through the City Clerk's Office at (530) 823-4211, Ext. #112

**CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL**

**MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/
ANNOUNCEMENTS**

AGENDA APPROVAL

This is the time set aside for council members and/or the public to ask for removal, postponement or a change to the listed sequence of an agenda item.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine in nature and will be approved by one blanket motion with a roll call vote.

There will be no separate discussion of these items unless persons request specific items to be removed from the Consent Calendar for discussion and separate action. Any items removed will be considered after the motion to approve the Consent Calendar.

1. **Minutes**

Pages 5 - 16

By **MOTION** approve City Council Minutes of May 28 and June 8, 2009.

2. **Application for State Community Development Block Grant Funds for
Housing Rehabilitation Program and Boys & Girls Club Public
Service Activities**

Pages 17 - 80

A. By **COUNCIL RESOLUTION** approve submittal of a 2009/2010 application to HCD for funding and execution of a Grant Agreement

and any amendments thereto from the General/Colonia Allocation of the State CDBG Program (Exhibit A).

- B. By **COUNCIL RESOLUTION** approve Housing Rehabilitation Program Guidelines and Residential Anti-Displacement and Relocation Plan (Exhibit B).
- C. By **COUNCIL RESOLUTION** approve the Revised City of Auburn Program Income Reuse Plan (Exhibit C).
- D. By **AUDA RESOLUTION** approve setting aside AUDA funding of \$70,000 for administration and activity delivery for Housing Rehabilitation Program (Exhibit D).
- E. By **COUNCIL RESOLUTION** approve Subrecipient Agreement with the Boys and Girls Club (Exhibit E).

***** End of Consent Calendar *****

3. **Public Comment**

This is the time provided so that persons may speak to the Council on any item not on this agenda. Please make your comments as brief as possible. The Council cannot act on items not included on this agenda; however, the items will be automatically referred to staff.

REPORTS

4. **City Council Committee Reports**

The purpose of these reports is to provide information to the city council and public on projects and programs that are discussed at committee meetings. **No decisions are to be made on these issues.** If a council member would like formal action on any of these discussed items, it will be placed on a future city council agenda.

COUNCIL BUSINESS

5. **Operating, Debt Service and Capital Project Budgets for Fiscal Year 2009-10** **Pages 81 - 116**

- A. By **RESOLUTION** adopt revenue estimates and expenditure appropriations for all City Funds for fiscal year 2009-10 as summarized in the fund schedules presented with the Fiscal Year 2009-10 Proposed Budget.

- B. By **RESOLUTION** establish a General Fund "cash reserve" in the amount of \$3,305,493 as summarized in the General Fund schedule presented with the Fiscal Year 2009-10 Proposed Budget.

ADJOURNMENT

Adjourn to meeting of Auburn Urban Development Authority.

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 1225 Lincoln Way, Room 8, Auburn, CA 95603 during normal business hours.

CITY COUNCIL MINUTES
May 28, 2009
SPECIAL SESSION

The Special Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Thursday, May 28, 2009 at 5:00 p.m. with Mayor J. M. Holmes presiding and City Clerk Joseph G.R. Labrie recording the minutes.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL:

Council Members Present: Keith Nesbitt, Bill Kirby, J. M. Holmes

Council Members Absent: Kevin Hanley, Bridget Powers

Staff Members Present: City Manager Robert Richardson

1. **Public Comment**

None

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6. **MOTION: Nesbitt/Kirby/Approved by Voice**

CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representatives: Robert Richardson
Employee Group: All Bargaining Units

REPORT OUT OF CLOSED SESSION

No reportable action

ADJOURNMENT

Mayor Holmes, without objection, adjourned the meeting at 5:45 p.m.

J. M. Holmes, Mayor

Joseph G. R. Labrie, City Clerk

CITY COUNCIL MINUTES

June 8, 2009

REGULAR SESSION

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, June 8, 2009 at 6:00 p.m. following a 5:15 p.m. Closed Session with Mayor J. M. Holmes presiding and City Clerk Joseph G.R. Labrie recording the minutes.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL:

Council Members Present: Keith Nesbitt, Kevin Hanley, Bill Kirby, Bridget Powers, J. M. Holmes

Council Members Absent: None

Staff Members Present: City Manager Robert Richardson, City Attorney Michael Colantuono, Fire Chief Mark D'Ambrogi, Public Works Director Jack Warren, Engineering Division Manager Bernie Schroeder, Transit Analyst Megan Siren, Administrative Services Director Andy Heath, Police Chief Valerie Harris

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6 **MOTION: Nesbitt/Hanley/Approved by Voice**

CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representatives: Robert Richardson
Employee Group: All Bargaining Units

REPORT OUT OF CLOSED SESSION

No reportable action.

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/ANNOUNCEMENTS

Staff Sergeant Fernandez received the proclamation naming June 8-14, 2009 as United States Army Week in Auburn.

Mayor Holmes commended the Public Works Department for the cleanup work at the Conheim Station.

Mayor Holmes said the Sacramento Bee showed the Sacramento Capital area as number twelve on the list of fittest cities. He said ranking was taken from the American Fittest Cities Index. He said Auburn was mentioned in the newspaper article as the "endurance athletic haven."

Mayor Holmes reminded the public that Saturday June 12th is Auburn cleanup day. He said with the exception of electronic products, Auburn Placer Disposal will pick-up discarded items as a special service to its Auburn customers.

Council Member Holmes stated that the May 11th minutes should be corrected to read Reamer Street and not River Street.

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Council.

CONSENT CALENDAR

1. **Minutes**

By **MOTION** approve City Council Minutes of May 11, 2009.

2. **Program Supplement Agreement – Borland Avenue/Highway 49 Signal Upgrade Project**

By **RESOLUTION 09-70** authorize the Director of Public Works to execute the Program Supplement No. M002 Rev. 1 for Project Number STPLH-5077 (004), in the amount of \$405,000 for the Borland Avenue/Highway 49 Signal Upgrade Project.

3. **Notice of Completion – Maidu Drive Sidewalk Project**

By **RESOLUTION 09-71** authorize the recording of a Notice of Completion for the Maidu Drive Sidewalk Project completed by contractor Western Engineering.

4. **Notice of Completion – East Lincoln Way Sidewalk Project**

By **RESOLUTION 09-72** authorize the recording of a Notice of Completion for the East Lincoln Way Sidewalk Project completed by contractor Western Engineering.

5. **Weed Abatement – Declare Public Nuisance**

By **RESOLUTION 09-73** declare Public Nuisance of certain properties within the City of Auburn identified as containing weeds, rubbish, and or debris.

6. **Authorization to Appoint Wastewater Treatment Facility Upgrade Financing Team**

By **RESOLUTION 09-74** appoint Southwest Securities (ML Stern) as Underwriter and Jones Hall, a Professional Law Corporation as Bond Counsel and Disclosure Counsel, as it relates to the financing of improvements to the City of Auburn Wastewater Treatment Facility.

***** End of Consent Calendar *****

By **MOTION** approve the Consent Calendar with the corrected reference to Reamer Street. **MOTION: Hanley/Nesbitt/Approved 5:0**

7. **Public Comment**

Scott Holbrook, Auburn Recreation District (ARD) Board Member, invited Council Members and the public to ARD's annual "Party in the Park."

Council Member Kirby complimented Mr. Holbrook on all the efforts he has put forth annually for the celebration. He said Mr. Holbrook has been a great asset to the community.

Fire Chief Mark D'Ambrogi briefed the Council on the local hazard mitigation plan. He said it is a joint effort with the City and Placer County. He said review of portions of the draft plan will be held in Kings Beach on the following night and on Wednesday locally. He said he will represent the City at both hearings. He said he will present the final plan to the Council for adoption. He said a great deal of work went into preparation by both the Community Development Department and the Public Works Department. He said copies of the draft plan are on both the City and County websites. He said if anyone wanted a printed copy, he would provide it.

PUBLIC HEARING

8. **Levying of Assessments for Fiscal Year 2009-10 in connection with the Old Town and Downtown Business Improvement Districts**

City Attorney Michael introduced the item. He explained that it is an annual item by which the City Council levies assessments in the business

improvement districts after receiving reports from them at a previous meeting. He said there were no proposed increases by either district.

By **RESOLUTION 09-75** levy assessments for fiscal year 2009-10 in connection with the Old Town Auburn Business Improvement District and the Downtown Auburn Business Improvement District. **MOTION: Hanley/Powers/Approved 5:0**

9. **2008 Weed Abatement Program, Assess Tax Rolls**

Fire Chief Mark D'Ambrogi advised that the item was a continuation of the 2008 Weed Abatement Program. His staff report reflected the properties that have been abated and the cost absorbed by the City. He said the Public Hearing is to allow comments and objections from those listed on the cost report.

Mayor Holmes said there were only four parcels as opposed to the numerous listings shown for the 2009 Weed Abatement Program. Chief D'Ambrogi advised that the 2009 list will decrease about 98% as the property owners respond throughout the year.

Council Member Hanley confirmed with Chief D'Ambrogi that the City had complied with all requirements for noticing the property owners.

The Chief advised that Requests for Proposals are sent to certified vendors for abatement services. He said the Fire Department does collect an "admin fee" for the process.

By **RESOLUTION 09-76** approve the 2008 cost report of the weed abatement program and direct the City Clerk to file a certified copy of the report with the Placer County Auditor-Controller in order to collect cost assessments. **MOTION: Nesbitt/Powers/Approved 5:0**

REPORTS

10. **Informational Reports from Committees/Commissions**

Michael Otten, Library Advisory Board Member, presented each Council Member with a packet of information. He said in the 1930's the Carnegie Library served as City Hall wherein the City Trustees performed their duties. He said the library provided many valuable services to the community in addition housing books. He invited the Council to the Centennial Celebration at the Library as part of the Auburn Artwalk.

11. **Updated City Website**

Administrative Services Director Andy Heath advised that the City Manager had directed staff to design a new City website. He said that Shari Conley and Brian Gouge' are two members of the eight-member team that have worked extensively on the site. Shari Conley presented the new website to the Council. Brian Gouge' stated that the team decided to create a website that was user friendly. He said he felt that goal had been accomplished. He said the website would serve the community well.

Mayor Holmes asked that the terms of commissioners and committee members be shown on the website. He asked that all City forms with filing information also be included. He asked if the General Plan could be placed on the website as well.

Council Member Hanley suggested for inclusion a map of the City, a City newsletter, additional links to Placer County agencies and upcoming events.

Council Member Nesbitt suggested posting wineries in the area.

Council Member Kirby stated he would like to see all the wineries in the region listed. He said he would like to see a calendar of events. Ms. Conley stated that at the current time the City is relying on the Chamber's calendar of events, but that the City could have its own if Council would prefer it. He said he felt the brightness of the main site photograph should be enhanced.

Cheryl Maki, Auburn resident, stated that the first website was created when she was a Council Member. She said there were many decisions that had to be made as to what to put on the site. She asked if a permit process could be initiated so that permits could be obtained on line.

Administrative Services Director Andy Heath said there would be fees involved to pay an outside group to administer the payment receipt. He said the City has not yet explored that option, but can do so in the future.

Michael Otten suggested adding a link to the Placer County Visitors Bureau.

By **MOTION** authorize the Website Project Team to transition the current website to a version that is user friendly, informative, as well as updated with current City of Auburn photos. **MOTION: Nesbitt/Powers/**
Approved 5:0

12. **City Council Committee Reports**

Mayor Holmes advised that SED Corp is applying for funds to increase the availability of broadband in the area. He said he specifically requested that the area of the Auburn Airport be included. He said SED Corp is also exploring the possibility of having a business boot camp in the area.

Council Member Powers reported on meetings in connection with the Placer County Economic Development Commission, the Chamber of Commerce and with City staff member Lance Lowe. She said they have formulated a committee to put together a group of lessees and landowners at the airport. She said they will have a few business owners speak and commercial real estate brokers. She said the idea is to initiate a focus group to define airport needs to try to increase leasing. She said the tentative date for the focus group to meet will be September 24, 2009.

Council Member Kirby, Vice Chairman of the Placer-Nevada County Wastewater Authority, reported that that some money has been authorized but not appropriated for the regional wastewater treatment project. He said that Supervisor Holmes and Supervisor Weygandt advise that there may be a possibility of obtaining some funding for a regional facility. He said that funding would significantly decrease the cost.

Council Member Kirby stated that there has been some discussion with Old Town business owner Linda Robinson, the business associations and the City Manager regarding presenting evening movies. He said they will be looking for private donors to contribute to licensing fees.

COUNCIL BUSINESS

13. **Solicitation Ordinance – First Reading**

City Attorney Michael Colantuono explained that the existing ordinance applies to all door-to-door solicitation in residential areas. He said it does not apply to commercial zones or public rights of way. He said the current ordinance is probably unenforceable because "it is thirty years old and gives the Police Chief discretion to deny a solicitation permit for such reasons as the applicant lacking good moral character." He said the current law defines that the application of the Police Chief's standards "must be very simple, very ministerial and very over-the counter." He said the options for the Council are to adopt the proposed ordinance and continue to regulate or not to adopt the proposed ordinance and not enforce the existing ordinance. He said Council will need to decide whether or not to extend the ordinance to include commercial areas and public rights of way. He said the Police Chief will recommend that it be

extended throughout the City. He said if the Council wants to regulate solicitation, it must be consistent with current law which means, "You cannot distinguish among speakers based on the content of their speech. You can only regulate the where, the when and the how."

Police Chief Valerie Harris stated that there is a need to broaden the solicitation ordinance to include additional areas of oversight. She said there is a need for the Police Department to be able to enforce compliance requirements.

Mayor Holmes suggested that the ordinance was partially driven by area panhandlers. She said to deal with that problem there would need to be a Panhandling Ordinance in addition to the Solicitation Ordinance.

Council questions followed regarding (1) non-profit solicitation (2) the current permit process (3) complaints received in 2008 (4) distinguishing between residential and commercial enforcement (5) on-line permit service (6) time, place and manner restrictions (7) uniform regulation and (8) realtors' door-to-door solicitation.

Seth King, Placer County resident, stated that he sells books door-to-door. He said he has not asked permission from the government to conduct his business and will continue not to do so. He said government is trying to take away an essential freedom by forcing people to ask for permission before conducting sales. He said if the Council is willing to put people such as himself in jail; it is overstepping its bounds. He said he was never asked to show a permit by a resident.

Cheryl Maki, Auburn resident, said she had someone attempt to solicit her stating that he could win trip to Disneyland if he sold a certain number of books. She said she asked for a permit which he could not produce. She said she called the police. She said it was discovered that it was an illegal operation. Therefore, she felt that the solicitation ordinance would be a way to protect the community. She said there is nothing wrong with requiring a legitimate solicitor to obtain a permit.

Council Member Nesbitt confirmed with the Police Chief that in the time frame a permit is issued a fraudulent operation can not be detected.

City Attorney Colantuono responded that the ordinance would help the police in that (1) most fraudulent solicitors will not ask for a permit which would allow police to interact with those persons (2) the permit process will provide information and (3) it will provide the opportunity to explain the rules of solicitation to the solicitor.

Mayor Holmes said that he was uncomfortable with the ordinance although he recognized the need for stronger enforcement. He said the ordinance does not guarantee that fraudulent activity will not occur. He said he did not like the fact that service organizations would have to go through the permit process.

Council Member Nesbitt asked if simple solicitation of a neighbor for a non-profit group could be interpreted as "selective enforcement" if challenged.

City Attorney Colantuono advised that the City has prosecutorial discretion. He said it is entirely defensible for the City to enforce the ordinance on a "complaints received" basis. He said it is commonly done and completely justifiable.

Council Member Hanley said he would approach the issue by first identifying the problem. He said the staff report does not identify the problem, numbers are not shown and there is no explanation of how the current law is inadequate. He said, "There is case law that defies common sense" made on abstract criteria and does not necessarily meet community needs. He said he does agree that the old ordinance needs to be updated. He suggested that a more defined ordinance be brought back to the Council with a ban on residential and commercial solicitation. Council Member Hanley asked that a Panhandling Ordinance be initiated as well. He said he does not want to be in a position to vote for law that bans charitable activity without a permit.

Council Member Nesbitt stated that he concurred with Council Member Hanley. He said although he appreciated the intent of the ordinance, he will not support a permit process that includes charitable organizations.

Council Member Powers stated that Auburn is a charitable community. She said she does see the need to update the ordinance and would support postponing the item. She said she would like to see an ordinance that does not include requiring charitable groups to obtain a permit.

Council Member Kirby stated that he supported Council Member Hanley's comments. He said he supports less and more focused government.

Mayor Holmes asked that the item be referred to staff for further consideration. He asked for background on past practices.

City Manager Richardson stated that the City Attorney was tasked with going through the City ordinances and updating them. He said the Solicitation Ordinance was part of the process. He said, "We've hit a

grouping now that is going to be more challenging." He said that this was the first of many ordinances to be heard in the future.

Council Member Kirby suggested a workshop to discuss publically each ordinance that will be updated. He said it would save meeting time and encourage public input.

14. **Wastewater Treatment Plant Operations Contract**

Public Works Director Jack Warren said the item had been in front of the Council previously. He reminded Council that Public Works started work on the contract last year because it expires July 1, 2009. He said earlier the issue was whether or not to extend the contract for five years or if new proposals should be requested. He said in February a decision was made by the Council for an additional three-year contract with OMI. He said the idea was not to have a change in operations while the plant was going through modifications. He said the final language is close to completion by OMI and the City Attorney's staff.

Mr. Warren said a Public Works crew member will get assigned to OMI collection staff to be paid for out of the Sewer Fund. In turn OMI will reduce its staff by one worker and decrease the contract amount by \$68,000.

Council questions followed with regard to: (1) direct costs (2) management fee and (3) the employee transfer.

Dennis Burrell from CH2M Hill OMI explained the management fee consists of many entities such as Human Resources, Accounts Payable, Procurement Department, and training. He said OMI takes extremely good care of the wastewater plant that was built in the 1970s. He explained CH2M Hill OMI's cost increases and decreases. He said there is some profit in the fee but the majority of the fee goes to support the plant itself. He said they keep their costs competitive and are the second lowest in the area.

Engineering Division Manager explained that the contract will undergo legal review, reference for the City Clerk's office that it is the final agreement and "will be consistent with bullet points in the staff report and any addendum that was provided."

Mayor Holmes requested the item returned to the Council when the contract has been finalized.

Cheryl Maki advised that she reviewed the contract. She said adding a City employee to the contract was a wonderful idea. She said that this is

a minor increase for a company that has done an excellent job for many years.

By **MOTION** continue the item to the June 27, 2009 City Council meeting.

MOTION: Nesbitt/Powers/Approved by Voice

15. **Solid Waste Franchise Agreement Update**

Public Works Director Warren reminded Council that Public Works was directed to investigate the possibility of combining the solid waste contract with another jurisdiction. He said the expiration dates of the agreements vary greatly and cannot be combined at this time.

Council Member Hanley asked if the City had any discussions with Placer County. Engineering Division Manager Schroeder advised that she had spoken with staff but that they did not speak on behalf of the Board of Supervisors. She said there is always willingness for the County and City to work together on these types of issues. She said Placer County recently finalized its renewal agreement which may not afford an enthusiastic effort at this time.

City Manager Richardson advised that staff also spoke with the City of Rocklin who was just completing negotiations and did not have any interest in combining the contract at this time.

Council Member Hanley felt that the City should look at a combined contract prior to the next renewal.

Council Member Nesbitt said that unless there is dissatisfaction with the public, there is no reason not to renew the contract.

Mayor Holmes advised that he, the City Manager, the County CEO and County Supervisor meet on a regular basis. He said he will bring it up for discussion at the next meeting to see if there is any interest in combining the contract.

Council Member Kirby said he would favor ending the contract at the same time the County's contract ends with Auburn Placer Disposal. He said if there was interest in combining contracts, it could be done at that time.

ADJOURNMENT

Mayor Holmes, without objection, adjourned the meeting at 8:30 p.m. to the meeting of the Auburn Urban Development Authority.

J. M. Holmes, Mayor

Joseph G. R. Labrie, City Clerk



***Report to the
Auburn City Council and
Auburn Urban
Development Authority***

Action Item
Agenda Item No. 2
City Manager's Approval

To: Mayor/Chair, City Council and Authority Members
From: Wilfred Wong, Community Development Director
Date: June 29, 2009
Subject: Application for State Community Development Block Grant Funds for Housing Rehabilitation Program and Boys & Girls Club Public Service Activities

The Issue

Should the City Council approve submittal of an application to the State of California Housing and Community Development Department (HCD) for Community Development Block Grant (CDBG) funds for two activities: (1) Housing Rehabilitation Program and (2) Boys and Girls Club Public Service Activities (Programs)? Also, should the City Council approve the Housing Rehabilitation Program Guidelines including Appendices A through E and the Revised City of Auburn Program Income Reuse Plan?

Should the Auburn Urban Development Authority approve setting aside funding for administration and activity delivery for a Housing Rehabilitation Program?

Conclusions and Recommendation

- A. By Resolution approve submittal of a 2009/2010 application to HCD for funding and execution of a Grant Agreement and any amendments thereto from the General/Colonia Allocation of the State CDBG Program (Exhibit A).
- B. By Resolution approve Housing Rehabilitation Program Guidelines and Residential Anti-Displacement and Relocation Plan (Exhibit B).
- C. By Resolution approve the Revised City of Auburn Program Income Reuse Plan (Exhibit C).
- D. By Resolution approve setting aside AUDA funding of \$70,000 for administration and activity delivery for Housing Rehabilitation Program (Exhibit D).
- E. By Resolution approve Subrecipient Agreement with the Boys and Girls Club (Exhibit E).

Background

The Community Development Block Grant Program is authorized by the Housing and Community Development Act of 1974. The Department of Housing and Urban Development

(HUD) annually allocates CDBG funds to HCD for distribution to cities and counties that do not meet the formula allocation to receive funds directly from HUD. In general, incorporated cities with fewer than 50,000 in population and counties with unincorporated area populations of under 200,000 persons are eligible to apply for State CDBG Program funds.

CDBG funds may be used for a variety of eligible activities, including housing rehabilitation programs and projects, homeownership assistance, housing acquisition, housing new construction projects, public improvement projects, public facility projects and public service programs. In addition, eligible activities must meet one of three national objectives. The national objectives are:

- Benefit low and moderate income persons;
- Prevent or eliminate slums or blight; or,
- Addresses an urgent need because of conditions that pose a serious and immediate threat to the health and/or welfare of the community, and other financial resources are not available to meet the need.

HCD published a Notice of Funding Available (NOFA) making approximately \$15 million in CDBG funds available for the 2009/2010 Program Year. The maximum award to individual jurisdictions is \$800,000, and \$400,000 per program/project. Applications are due July 14, 2009 and will be competitively rated and ranked. Typically there are many more applications than funds available.

Proposed CDBG Application

City staff is proposing the City's 2009/2010 application include a housing activity (Housing Rehabilitation Program), a public service activity (Boys and Girls Club Programs) and a public facilities activity (Boys and Girls Club equipment).

Housing Rehabilitation Program

The City's 2008 Housing Element adopted goals, policies and programs that facilitate meeting current and future housing needs of all income levels. Specifically Goal 2 states the City will encourage the maintenance, improvement and rehabilitation of the City's existing housing stock and residential neighborhoods; and, Policy 2.3 states the City shall pursue state and federal funding assistance to rehabilitate housing. Implementation of a Housing Rehabilitation Program will help to preserve the City's existing housing stock affordable to lower income households by offering financing mechanism targeted to lower income households who otherwise may not have financing available for maintenance, repair and accessibility problems, as well as live in overcrowded situations.

The Housing Rehabilitation Program component of the CDBG application requests \$400,000. The program will be available to lower income households on a city-wide basis. The priority will be to correct health and safety defects (such as plumbing, electrical, roofs and accessibility improvements). General property improvements are limited and luxury items are not permitted. The maximum assistance available will be \$100,000; however, it is anticipated the average assistance will range between \$40,000 and \$60,000. Types of assistance will include: 1) \$7,500 grants available to very-low income seniors and disabled households; 2) 0%, deferred payment loans available to owner-occupied, low income households (no repayment required unless change of title or change of use); and, 3) Below market rate loans to owner investors who agree to rent to low income households for a specified period of time and enter into a rent limitation agreement. Priority will be given to owner occupied household applicants.

The City is requesting the Auburn Urban Development Authority authorize \$70,000 in Redevelopment Low/Moderate Housing Set-Aside funds for administrative and program delivery costs. Local funds contributed to the program are counted as leverage and increase the competitiveness of the application.

The Community Development Department, Building Division will provide management and administer the Program on a day to day basis.

In conjunction with the Housing Rehabilitation, staff is requesting the City Council adopt the following documents:

- Housing Rehabilitation Guidelines, including Appendices A through E — Provide guidance with regard to applicant and property eligibility, types of financing available, borrower obligations, complaint and appeal procedures, relocation assistance, default and foreclosure procedures, etc. and ensure compliance with all federal and state requirements.
- Revised Program Income Reuse Plan — Establishes policies and procedures for the administration and utilization of Program Income (PI) received as a result of activities funded under the State Community Development Block Grant Program. Repayment of principal or interest on housing rehabilitation loans is considered PI. The City previously approved a Program Income Reuse Plan for Economic Development Activities and the Plan has been revised to add the Housing Rehabilitation Program activity. One-hundred (100%) of all PI as a result of Housing Rehabilitation activities will be deposited into a Housing Rehabilitation Revolving Loan Account for the purpose of funding future loans and grants.

These documents are submitted with the application and increase the competitiveness of the application by demonstrating “readiness” (the City’s ability to implement a program immediately upon award of funds).

Boys and Girls Club Programs and Facility Equipment

The Boys and Girls Club seeks \$373,070 to provide much needed public services to support the community funded Boys and Girls Club of Auburn’s (BYC) new Community Center in

downtown Auburn. Well over half of the recipients in the program meet federal and state standards for support under the school lunch program, foster care, temporary assistance to needy families, social security disability and targeted income groups.

The new community center which expanded from 4,500 square feet to 15,000 square feet has a 277% increase in kids served each day. The City of Auburn is requesting \$373,070 to support staffing and equipment needs for the public services provided by this expanded facility. Other than the services provided by the BYC of Auburn there are no such recreation and after school programs available downtown and none specifically for at risk youth and low income youth.

The request will directly support services to the youth at the center and equipment directly related to the recreation and education program delivery.

Alternatives Available to Council; Implications of Alternatives

- A. Approve the resolutions needed to apply for CDBG funds; application will be submitted for a Housing Rehabilitation Program and assistance for the Boys and Girls Club.
- B. Deny the resolutions to apply for CDBG funds; application will not be submitted for a Housing Rehabilitation Program and assistance for the Boys and Girls Club.

Fiscal Impacts

If the City is awarded CDBG funds for a Housing Rehabilitation Program, funding for administration and activity delivery of the program will be by the Auburn Urban Development Authority Low/Mod Set-Aside Fund.

Additional Information

Find attached the following Exhibits:

- A. Resolution approving submittal of a 2009/2010 application to HCD for funding and execution of a Grant Agreement and any amendments thereto from the General/Colonia Allocation of the State CDBG Program.
- B. Resolution approving Housing Rehabilitation Program Guidelines and Residential Anti-Displacement and Relocation Plan.
- C. Resolution approving the Revised City of Auburn Program Income Reuse Plan.
- D. Resolution approving setting aside AUDA funding of \$70,000 for administration and activity delivery for Housing Rehabilitation Program.
- E. Resolution approving Subrecipient Agreement with the Boys and Girls Club.

RESOLUTION NO. 09-

RESOLUTION APPROVING A 2009/2010 APPLICATION FOR FUNDING AND THE
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM
THE GENERAL/COLONIA ALLOCATION OF THE STATE CDBG PROGRAM

BE IT RESOLVED by the City Council of the City of Auburn as follows:

SECTION 1.

The City Council has reviewed and hereby approves an application for up to
\$773,070 for the following activities:

Housing Rehabilitation Program	\$400,000.00
Public Service Activities (Boys and Girls Club Programs) ...	\$323,005.00
General Administration for Boys and Girls Club Activities	\$25,840.00
Project Delivery for Boys and Girls Club Public Services	\$24,225.00

SECTION 2.

The City has determined that federal Citizen Participation requirements were
met during the development of this application.

SECTION 3.

The City hereby approves the use of Local Leverage Funding Sources (listed
below) in the amount of \$76,460.00 to be used as the City's leverage for this
application.

In-kind Staff for Housing Rehabilitation Program	\$70,000.00
In-kind Staff for Boys and Girls Club Activities	\$6,460.00

SECTION 4.

1 The City Manager and Community Development Director are hereby authorized
2 and directed to sign this application and act on the City's behalf in all matters
3 pertaining to this application.

4
5 SECTION 5.

6 If the application is approved, the City Manager and Community Development
7 Director are authorized to enter into and sign the grant agreement and any
8 subsequent amendments with the State of California for the purposes of this
9 grant.

10
11 SECTION 6.

12 If the application is approved, the City Manager, Community Development
13 Director, and Administrative Services Director are authorized to sign Funds
14 Requests and other required reporting forms.

15
16 DATED: June 29, 2009

17
18 _____
19 J.M. Holmes, Mayor

20 ATTEST:

21 _____
22 Joseph G. R. Labrie, City Clerk

23 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
24 that the foregoing resolution was duly passed at a special meeting of the City
25 Council of the City of Auburn held on the 29th day of June 2009 by the
following vote on roll call:

26 Ayes:

27 Noes:

28 Absent:

Joseph G. R. Labrie, City Clerk

RESOLUTION NO. 09-

RESOLUTION APPROVING HOUSING REHABILITATION PROGRAM GUIDELINES
AND RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION PLAN

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby approve Housing Rehabilitation Program Guidelines and a Residential Anti-Displacement and Relocation Plan.

The Community Development Director is hereby authorized and directed to execute said Subrecipient Agreement on behalf of the City of Auburn.

DATED: June 29, 2009

J.M. Holmes, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a special meeting of the City Council of the City of Auburn held on the 29th day of June 2009 by the following vote on roll call:

Ayes:

Noes:

Absent:

Joseph G. R. Labrie, City Clerk

CITY OF AUBURN

HOUSING REHABILITATION PROGRAM GUIDELINES

I. APPLICANT ELIGIBILITY

Temporary Relocation

Tenants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of tenant or public danger or is otherwise undesirable because of the nature of the project. Relocated tenants will receive increased housing costs, payment for moving and related expenses and appropriate advisory services, as detailed in the City of Auburn's "Residential Anti-displacement and Relocation Assistance Plan." See Appendix C of these guidelines.

Owner occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the project coordinator/construction supervisor.

Conflict of Interest

No member of the governing body of the locality and no other official, employee, or agent of the city government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for assistance has been reviewed and approved according to applicable California Department of Housing and Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the City ends.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. (Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Construction Supervisor to be part of the scope of work. Owner/builders are not reimbursed for labor.) The City reserves the right to determine if the owner is capable of owner/builder rehabilitation work.

Income

Owner Occupant – The Housing Rehabilitation Program will grant priority to owner occupied households. To be eligible, household income must be equal to or less than 80% of the Placer County Median Income as published by the HCD. Owner will be required to provide income documentation. (See attached Appendix A--Annual Household Income Definition and Current Year Income

Limits).

Owner Investor - There are no restrictions on the income of the owner investor unless the owner investor qualifies as low-income and is interested in qualifying for a Deferred Payment Loan.

Tenant - If a rental is currently occupied, the tenant's household income must be equal to, or less than, the applicable HCD income guidelines. Tenant will be asked to cooperate by providing income documentation. (See attached Appendix A--Annual Household Income Definition/Income Limits).

Occupancy

No unit to be rehabilitated will be eligible if it is currently occupied by an HCD ineligible household. Rental households occupying such units will be allowed to remain in the units. To prevent owners from evicting ineligible tenants before applying for the program, the owner must certify that no tenant has been forced to move without cause during the previous six months.

Fair Housing

This program will be implemented in ways consistent with the City's commitment to Fair Housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development Block Grant (CDBG) funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (children), physical or mental disability, sexual orientation, or other arbitrary cause.

II. PROPERTY ELIGIBILITY

Location

Units to be rehabilitated must be located within current City limits.

Rehabilitation Standards

All repair work will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards.

Property Improvements

All improvements must be physically attached to the property and permanent in nature. General property improvements should be limited to 15% of the rehabilitation loan amount. Luxury items are not permitted.

Lead-Based Paint

Program participants rehabilitating homes constructed prior to January 1, 1978 must be provided with the proper disclosure notification concerning lead-based paint (LBP) hazards. Whenever pre-1978 houses are rehabilitated under CDBG, refer to Lead-Based Paint Requirements for guidance. The costs associated with meeting these requirements are eligible to be paid for with CDBG funds, and should be considered during program design.

III. FINANCING

Owner Occupant

Limits - An eligible owner may qualify for the full cost of the rehabilitation work needed to comply with Uniform Building Code standards. Maximum assistance with CDBG funds is \$100,000. Total indebtedness against property will not exceed 100 percent of after rehabilitation value. Rehabilitation costs for CDBG funded jobs may be supplemented with personal financing or with other loan or grant programs, which are sources of leverage for the City.

Types of Financing and Terms

Deferred Payment Loans (DPL) - Non-interest bearing loan, secured by a deed of trust, with no payback required until the participant sells or transfers title or discontinues residence in the dwelling, unless sold or transferred to another low-income household. Payments may be made voluntarily on a DPL.

Grants are limited, with a maximum \$7,500 per household. Total CDBG program funds distributed as grants shall not exceed \$75,000 per funding cycle.

Determining Eligibility

1. Every targeted income group owner occupants who are determined to be eligible for the CDBG program may receive DPL financing.
2. A limited number of \$7,500 grants are available to qualifying very low income households as follows:
 - Senior Citizen - at least 62 years old.
 - Handicapped - only for handicap modifications to a house with one or more physically handicapped occupants who would function more independently if such modifications were installed.

Owner Investor

Limits-An owner investor may qualify for the full cost of the rehabilitation work needed to comply with Uniform Building Code standards. Maximum assistance from CDBG

funds is to be determined by the local jurisdiction. Two underwriting variables to consider are the loan-to-value ratio (does the property constitute sufficient value compared to the size of the loan the borrower is requesting to adequately secure the debt) and the debt-to-income ratio (the ability of the borrower to repay the debt). Total indebtedness against property will not exceed 100 percent of after rehabilitation value. Rehabilitation costs for CDBG funded jobs may be supplemented with personal financing or with other sources of leverage.

Maximum Loan-to-Value

The maximum encumbrance will normally be limited to 100% of the property's after-rehabilitated value.

When the ratio is at or above 80% the City may require an appraisal.

Debt-to-Income Ratio

Applicants whose debt to income ratio exceeds 45% may be considered ineligible to participate in the program.

Types and Terms of Financing

Amortized loan - Below Market Interest Rate (BMIR) loan at 5% (five) percent interest, secured by a deed of trust and with a maximum term of 15 years.

Combined financing – The City may offer 50% percent of rehabilitation costs as a BMIR loan and 50% percent as a DPL to low-income investors. A DPL is a non-interest bearing loan secured by a deed of trust with no payback required until the owner investor sells or otherwise transfers title to the rehabilitated property, unless sold or transferred to a targeted income group household. Payments may be made voluntarily on a DPL.

Restrictions

Rent Limitation Agreement (RLA)

An owner investor who elects to rehabilitate a rental unit with CDBG financing must sign an RLA, which will be recorded. This agreement will specify:

In no instance shall rents exceed the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) schedule while the RLA is in effect.

Base Rent - Vacant Unit

If the house is vacant, rent charges shall not exceed 30 percent of 80 percent city median income for the appropriate household size in that unit. Appropriate household size shall mean: 1) one person for a studio unit or efficiency unit; and 2) two persons per bedroom for all other units.

Owner investor shall affirmatively seek low-income households by contacting the local housing authority. Where such contact does not result in eligible low-income tenant, the

owner investor shall contact the City for guidance.

Base Rent - Occupied Unit

If the house is occupied, rent charges shall not exceed 30 percent of the existing tenants' household income; or, where, before rehabilitation, rents already exceed 30 percent of the existing tenants' income, no rent increases shall be allowed which provide for rents plus utilities over 30 percent of the tenants' income.

Terms

If financing is a Below Market Interest Rate, adherence to these rent limitations will be for five years from the date of Notice of Completion of construction.

If financing is a combined Below Market Interest Rate/Deferred Payment Loan, adherence to these rent limitations will be for the term of the loan.

Compliance -- Failure to comply with these terms and conditions will result in the loan becoming due and payable. If necessary, foreclosure proceedings will be instituted.

Lead-Based Paint

Program participants, including tenants, rehabilitating homes constructed prior to January 1, 1978 must be provided with the proper disclosure notification concerning lead-based paint (LBP) hazards. Whenever pre-1978 houses are rehabilitated under CDBG, please refer to Lead-Based Paint Requirements for guidance. The costs associated with meeting these requirements are eligible to be paid for with CDBG funds, and should be considered during program design.

Maintenance Agreement

As specified in the Rehabilitation Loan Agreement, an owner investor who participates in the program must maintain the property at post-rehabilitation conditions for a minimum of five years. Should the property not be maintained accordingly, the loan will become due and payable, and if necessary, foreclosure proceedings will be instituted.

IV. RESIDENCY REQUIREMENTS

Owner Occupant

Owner occupants will be required to submit to the City between January 1 and 15 of each year for the term of the loan:

- Proof of occupancy in the form of a copy of a current utility bill.
- Statement of unit's continued use as a residence.
- Declaration that other title holders do not reside on the premises.

In the event that an owner occupant sells, transfers title, or discontinues residence in the rehabilitated or purchased property for any reason, the loan is due and payable.

If the owner occupant sells or otherwise transfers title of the property to a targeted income group household, the City will consider subordinating the loan and continuing all or part of the lien as a DPL.

If the owner occupant dies, and if the heir to the property lives in the house and is income eligible, the heir may be permitted, upon approval of the City of Auburn, to assume the loan at the rate and terms the heir qualifies for under current participation guidelines.

If the owner occupant dies and the heir is not income eligible, the loan is due and payable.

If the owner occupant dies and the heir is not income eligible, but he or she chooses to rent the unit to TIG households and agrees to comply with owner investor restrictions, the heir may be permitted, upon approval of the City of Auburn, to assume the loan at the same rate and terms offered owner investors under current program guidelines. If the heir/owner investor does not comply with owner investor restrictions, the loan is due and payable.

If an owner occupant wants to convert the rehabilitated property to a rental unit, the owner must notify the City in advance. If the City approves the conversion of an owner occupied unit to a rental, the owner will be required to comply with the provisions of the owner investor guidelines, including rent limitation provisions and financing arrangements. If the owner does not comply with owner investor restrictions, the loan is due and payable upon conversion to a rental unit.

If an owner wants to convert the rehabilitated property to any commercial or non-residential use, the loan is due and payable.

Owner Investor

If an owner investor sells or transfers title of the rehabilitated property for any reason, the loan is due and payable.

An owner investor may convert a rental property to his or her personal residence if all conditions below exist:

- He or she can prove that the previous tenant was not evicted without cause.
- He or she is income eligible.
- He or she requests approval from the City.

If an owner investor converts a rental property, rehabilitated with CDBG funds, to his or her personal residence, but he or she is not income eligible, the loan is due and payable.

If an owner wants to convert the rehabilitated property to any commercial or non-residential use, the loan is due and payable.

V. DEFAULT AND FORECLOSURE

Upon the City's adoption of these Housing Rehabilitation Program Guidelines the City also adopts the CDBG policies and procedures regarding default and foreclosure which are included in the Loan Servicing Agreement in Appendix B of this document. Each borrower is required to sign the Loan Servicing Agreement which will help to preserve the City's financial interests in properties assisted with public funds.

The Loan Servicing Agreement has been formulated to comply with state and federal regulations regarding the use of public funds and any property restrictions which are associated with them. These policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principle and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) required Rent Limitation Agreement and monitoring of investor properties; 5) loans with annual occupancy restrictions and certifications 6) required noticing and limitations on any changes in title or use of property; 7) required noticing and process for requesting a subordination during a refinance; 8) process of foreclosure in case of default on the loan.

VI. INSURANCE

Fire Insurance

The applicant shall maintain fire insurance on the property for the duration of the loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the City as Loss Payee for the amount of the loan(s). A binder shall be provided to the City.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the City of Auburn at its option may make such payments for a period not to exceed 60 days. The City may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the City of Auburn make any payments, it may, in its sole discretion, add such payments to the principal amount that the applicant is obligated to repay the City under this program.

Flood Insurance

In areas designated by HUD as flood prone, the owner is required to maintain flood insurance in an amount adequate to secure the Rehabilitation Loan. This policy must designate the City as Loss Payee. The premium may be paid by the Rehabilitation Loan for one year.

VII. LOAN OR GRANT APPROVAL

All loans and grants must be approved by the CDBG Loan Review Committee. In order to obtain CDBG financing, applicants must meet all property and eligibility guidelines in effect at the time of loan approval. Applicants will be provided written notification of approval or denial. Reason for denial will be provided to the applicant in writing.

VIII. REPAIR CALLBACKS

In the event that a contractor must be called back to make corrections on rehabilitation work items that are not covered by the one year warranty, the City has the option to cover the costs through the current CDBG construction budget.

IX. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the CDBG Program should be made to the Project Manager first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City. The City will then schedule a meeting with the CDBG Loan Review Committee. Their written response will be made within fifteen (15) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the City Council. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

X. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration.

XI. CONTRACTING PROCEDURES

- All housing rehabilitation work must be carried out using the CDBG adopted housing rehabilitation guidelines.
- The City will prepare, advertise the bid package and assist the homeowner in negotiating the contract.
- The homeowner will select the contractor.
- All contractors must be checked and cleared with HUD'S federal debarred list of contractors.
- All contractors must be actively licensed and bonded with the State of California.
- All contractors must have public liability insurance to the City required limits, Workmen's Compensation Insurance, unemployment and disability insurance.
- All contractors must comply with CDBG federal and state regulations.
- A Notice of Completion must be recorded with the County Recorder.

XII. SWEAT EQUITY

Participants who wish to perform sweat equity will sign a written commitment itemizing the work they will perform, a time schedule for completion and a dollar value of the contribution.

Owners that contribute sweat equity that involves painting will not participate in activities that include the abatement or mitigation of lead paint hazards without first being trained on Safe Work Practices as required by HUD and provide documentation of such in the project file.

XIII. AMENDMENTS

Amendments to these guidelines may be made by the City and submitted to HCD for approval.

XIV. EXCEPTIONS

Exceptions to these guidelines will require City Council and HCD approval.

XV. ATTACHMENTS

Appendices are attached and considered part of the City's Housing Rehabilitation Program Guidelines:

- Appendix A-- Annual Household Income Definition/Income Limits
- Appendix B-- CDBG Loan Servicing Agreement
- AppendixC-- Residential Anti-displacement and Relocation Assistance Plan
- Appendix D-- CDBG Guidelines regarding Overcrowding
- Appendix E-- Recordation of Lien – Templates

APPENDIX A

ANNUAL HOUSEHOLD INCOME DEFINITION

For the purposes of determining eligibility in accordance with HCD income guidelines, Annual Income will include, for all members of the household:

1. Gross wages and salary before deductions.
2. Net money income from self-employment.
3. Cash income received from such sources as rental units, Social Security benefits, pensions, and periodic income from insurance policy annuities.
4. Periodic cash benefits from public assistance and other compensation, including AFDC, SSI, Worker's Compensation, State Disability Insurance and Unemployment benefits.
5. Interest earned on savings and investments.

Annual Income will not include:

1. Non-cash income such as food stamps or vouchers received for the purpose of food or housing.
2. Capital gains or losses.
3. One time unearned income such as scholarship and fellowship grants; accident, health or casualty insurance proceeds; prizes or gifts; inheritances.
4. Payments designated specifically for medical or other costs, foster children or their non-disposable income.
5. Income from employment of children under the age of 18.
6. Payment for the care of foster children.

This is not meant to be a complete list. Grantee will make the final decision in situations where the classification of income is not clear cut. Any exceptions or other deviations from this definition of annual income will be considered by Grantee.

2009 ANNUAL HOUSEHOLD INCOME LIMITS

City of Auburn, California

Income Category	%of Median Income	Number of Persons in Household					
		1	2	3	4	5	6
Extremely Low	30	\$15,300	\$17,500	\$19,650	\$21,850	\$23,600	\$25,350
Very Low	50	\$25,500	\$29,100	\$32,750	\$36,400	\$39,300	\$42,200
Low	80	\$40,800	\$46,600	\$52,450	\$58,250	\$62,900	\$67,550
Median Income	100	\$50,950	\$58,250	\$65,500	\$72,800	\$78,600	\$84,450
Moderate Income	120	\$61,150	\$69,900	\$78,600	\$87,350	\$94,350	\$101,350

APPENDIX B

CDBG LOAN SERVICING AGREEMENT

The City of Auburn, here after called "Lender" has adopted these policies and procedures in order to preserve its financial interest in properties, who's "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan's principle and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) required Rent Limitation Agreement and monitoring of investor properties; 5) loans with annual occupancy restrictions and certifications 6) required noticing and limitations on any changes in title or use of property; 7) required noticing and process for requesting a subordination during a refinance; 8) process of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under an Installment Note, which are amortized promissory notes, (or Lender will use _____ loan collection Company to collect payments). Late fees will be charged for payments received after the assigned monthly date.

For Straight Notes, which are deferred payment loans; the Lender may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a second mortgage. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100 year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The lender may check the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impounded accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Required Rent Limitation Agreement for Investor Properties:

All owner investor properties which receive loans from the Lender will be required to enter into a rent limitation agreement which restricts the tenants and the rents on the property for a fixed period of time, depending on the public funds used. The rent limitation agreement will be recorded on title of the property and non-compliance with this agreement can lead to foreclosure action by the Lender. The rent limitation agreement will be monitored annually to ensure that low or very low-income households occupy the assisted investor units and that the rents charged to those households is affordable. In some cases the units must be inspected annually to ensure that they are up to minimum health and safety standards. At the end of the designated affordability period, the Lender will release the Borrower from the rent limitation agreement.

5. Annual Occupancy Restrictions and Certifications:

On some owner occupant loans the Lender may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust.

6. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to the Targeted Income Group (TIG) families.

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on family size and household income, provided the heir is in the TIG. If the heir intends to occupy the property and is non-TIG, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full. If the Borrower or new owner investor requests that the existing loan be assumed and agrees to the current Lender rates and terms for owner investor properties and the rent limitation agreement, then the outstanding balance may be refinanced, subject to the review and approval of the Lender's Loan Committee.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the family still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

7. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt pay offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower

the housing cost of the family with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance agency, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

8. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non payment; 2) lack of insurance or property tax payment; 3) violation of rent limitation agreement; 4) change in title or use without approval; 5) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

9. Lender As Senior Lien Holder:

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly

urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- A. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- B. Can the Borrower refinance with a private lender and pay off the Lender?
- C. Can the Borrower sell the property and pay off the Lender?
- D. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- E. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

APPENDIX C

RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) funds or Home Investment Partnership (HOME) funds to follow a written Residential Anti-displacement and Relocation Assistance Plan (Plan) for any activities which could lead to displacement of occupants whose property is receiving funds from these or other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the City of Auburn with the requirements of federal regulations 24 CFR 570.606 under state recipient requirements and Section 104(d) of the Housing and Community Development Act of 1974 and 24 CFR 92 of the HOME federal regulations. The Plan will outline reasonable steps, which the City will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The City's governing body has adopted this plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the City limits.

The City of Auburn will provide permanent relocation benefits to all eligible "displaced" households either owner occupied or rental occupied units which are permanently displaced by the housing rehabilitation program (See Section E below). In addition, the City will replace all eligible occupied and vacant occupiable low income group dwelling units demolished or converted to a use other than low income group housing as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in the Federal Regulations 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All City programs/projects will be implemented in ways consistent with the City's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The City will provide equal relocation assistance available 1) to each targeted income group household displaced by the demolition or rehabilitation of housing or by the conversion of a targeted income group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of targeted income group persons temporarily relocated as a direct result of activities funded by HUD programs.

- A. Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities: Consistent with the goals and objectives of activities assisted under the Act, the City will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD programs:
1. Provide proper notices with counseling and referral services to all tenants so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced persons to find alternate housing in the neighborhood;
 2. Stage rehabilitation of assisted households to allow owner occupants and/or tenants to remain during minor rehabilitation;
 3. Encourage owner investors to temporarily relocate tenants to other available safe and sanitary vacant units on the project site area during the course of rehabilitation or pay expenses on behalf of replaced tenants;
 4. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation;
 5. When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.
- B. Lead Based Paint Mitigation Which Causes Temporary Relocation: On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control (LHC) went into effect. Among other things, it requires that federally-funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. At no time should the tenant-occupant(s) be present in work areas or designated adjacent areas while LHC activities are taking place in any dwelling unit interior, common area, or exterior. As such, occupants may not be allowed to remain in their units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards has been completed, and the unit passes clearance, the occupants can return. The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results. The final rule allows for certain exceptions:
1. The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
 2. The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
 3. The interior work will be completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the home; or
 4. The interior work will be completed within five (5) calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 feet of the

worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation benefits are not provided because the City believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the City to ensure that the owner occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) will be strongly encouraged to relocate even for just a few days until a final lead clearance can be issued by a certified lead based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation benefits as those who are relocated because of substantial rehabilitation or reconstruction activities.

- C. Temporary Relocation of Owner Occupants: Owner occupants are not allowed to stay in units which are hazardous environments during lead based paint mitigation. When their home is having lead based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation benefits up to \$500, which will be provided as a grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family will be eligible for temporary relocation benefits up to \$500, which will be provided as a grant. In no case shall the grant for temporary relocation exceed \$500 for any one owner occupant.

Owner occupants will be encouraged to move in with family or friends during the course of rehabilitation, since they are voluntarily participating in the program. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation benefits form to document that the owner occupant understands that they must relocate during the course of construction and what benefits they wish to be reimbursed for as part of their relocation.

- D. Temporary Relocation of Residential Tenants: If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The program administrator or construction supervisor will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original unit being rehabilitated at the same rent or lower. He or she may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will ensure that each tenant occupied unit under the program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received) and the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant occupied unit will have a temporary relocation benefits form completed for them. These notices will document that each tenant understands what their relocation rights are, and if they must

relocate during the course of construction, that they receive the proper counseling and temporary relocation benefits.

A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits).
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - b. Packing, crating, unpacking, and uncrating of personal property;
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - f. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;
 - g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
 - h. Any costs of credit checks required to rent the replacement dwelling;
 - i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

- E. Rehabilitation Activities Requiring Permanent Displacement: The City rehabilitation program will not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this plan. If a case of permanent displacement is encountered, then the staff responsible for the rehabilitation program will consult with City legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant will be hired to do the counseling and benefit determination and implementation. If local staff does wish to do the permanent displacement activity then they will consult and follow the HUD Relocation Handbook 1378.
- F. Rehabilitation Which Triggers Replacement Housing: If the City rehabilitation program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended applies and the City is required to replace those lost units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the City must document that any lost units are replaced and any occupants of reduced units are given permanent relocation benefits. (This does not apply to reconstruction or replacement housing done under a rehabilitation program where the existing unit(s) is demolished and replaced with a structure equal in size without in loss number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the City to provide funds for an activity that will directly result in such demolition or conversion, the City will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

1. A description of the proposed assisted activity;
2. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as targeted income group dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a targeted income group dwelling unit for at least 10 years from the date of initial occupancy; and,

7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of targeted income group households in the jurisdiction.

The Grant's Coordinator at the City is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The City is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any targeted income group displaced by the demolition of any dwelling unit or the conversion of a targeted income group dwelling unit to another use in connection with an assisted activity.

- G. Record Keeping and Relocation Disclosures/Notifications: The City will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below is only for temporary relocation. If permanent relocation is involved then other sets of notice and noticing process and relocation benefits must be applied (See HUD relocation handbook 1378 for those forms and procedures) The Temporary Relocation Advisory Notices to be provided are as follows:

1. General Information Notice: As soon as feasible when an owner investor is applying for Federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned

that he or she will not be provided relocation assistance if he or she decides to move for personal reasons.

2. Notice of Non Displacement: As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation benefits because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance.
3. Disclosure to Occupants of Temporary Relocation Benefits: This form is completed to document that the City is following its adopted temporary relocation plan for owner occupants and tenants.
4. Other Relocation/Displacement Notices: The above three notices are required for temporary relocation. If the City is attempting to provide permanent displacement benefits then there are a number of other forms which are required. Staff will consult HUD's Relocation Handbook 1378 and ensure that all the proper notices are provided for persons who are permanently displaced as a result of housing rehabilitation activities funded by CDBG or other federal programs.

APPENDIX D

HUD'S CDBG GUIDELINES FOR OVERCROWDING

CDBG STANDARDS FOR ROOM AND BATHROOM ADDITIONS	
Unit Size	Maximum # of Persons in Household
SRO	1
0 Bedrooms	1
1 Bedrooms	2
2 Bedrooms	4
3 Bedrooms	6
4 Bedrooms	8
5 Bedrooms	10
6 Bedrooms	12

- Opposite sex children under the age of 6 years may share a bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom.
- 5 or more people - a second bathroom may be added.
- 10 or more people - a third bathroom may be added.
- Same rules apply to mobile home units.
- Contact your field representative should you have any questions.

APPENDIX E

RECORDATION OF LIEN - TEMPLATES

See templates on the next two pages.

OFFICIAL BUSINESS

Document entitled to free recording per Government Code § 6103

Recording Requested by: City of Auburn, California
When Recorded, Mail to: City of Auburn
Community Development Department
1225 Lincoln Way, Room 3
Auburn, CA 95603

REQUEST FOR NOTICE OF DEFAULT

I accordance with section 2924 (b) of the Civil Code, request is hereby made that a copy of Notice of Default and a copy of any Notice of Sale under the deed of trust recorded _____, 20__, in Book/Reel _____, Page/Image _____, (or filed for record with recorder's document number _____) for the property located at _____. Said deed of trust of Official Records of Placer County Recorder, Placer County, California, executed by _____ as trustor (s) in which is named as beneficiary and _____ is named Trustee, shall have the notice of default mailed to:

City of Auburn, California
Community Development Department
1225 Lincoln Way, Room 3
Auburn, CA 95603

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If you address changes, a new request must be recorded.

City of Auburn, California in Placer County

By: _____
Dated: _____

**STATE OF CALIFORNIA
COUNTY OF PLACER
County of Placer**

On _____, 20__ before me, the undersigned Notary Public in and for said County and State, personally appeared _____ and _____, personally known to me, (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Public in and said County and State

Recording Requested By:

City of Auburn, California
When recorded mail to: City of Auburn, California
Community Development Department
1225 Lincoln Way, Room 3
Auburn, CA 95603

This document is recorded on behalf of the City of Auburn, California and is exempt from recording fees pursuant to Government Code Sections 6103 and 27383.

SUBSTITUTION OF TRUSTEE AND DEED OF RECONVEYANCE

WHEREAS, _____ TITLE INSURANCE
COMPANY is the present Trustee of record under that certain Deed of Trust executed on
the _____ TH day of _____, _____, by

_____ as Trustor(s), to
_____ TITLE INSURANCE COMPANY as Trustee, recorded
on the _____ TH day of _____, _____, as Instrument no. _____ in
Book/Reel NA at Page/Image NA, of Official Records in the Office of the County
Recorder of Placer County, California;

AND WHEREAS, the undersigned, CITY/COUNTY OF _____ is the
present holder of the beneficial interest under said Deed of Trust, and hereby appoints
itself as Trustee in place and stead of said _____ TITLE INSURANCE
COMPANY under said Deed of Trust;

AND WHEREAS, the indebtedness secured by said Deed of Trust has been fully
paid and satisfied;

NOW THEREFORE, CITY/COUNTY OF _____ as
substituted Trustee under said Deed of Trust does hereby reconvey to the parties entitled
thereto all right, title and interest which was heretofore acquired under said Deed of
Trust.

Dated this _____ day of _____, 20____.

CITY/COUNTY OF _____

By: _____

As Substituted Trustee

State of California

County of Placer

On _____, 20____ before me, the undersigned Notary Public in and for said
County and State, personally appeared _____ and
_____, personally known to me, (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity (ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Public in and said County and State

WITNESS my hand and official seal.

_____: Signature

RESOLUTION NO. 09-

RESOLUTION APPROVING THE PROGRAM INCOME REUSE PLAN FOR
AUBURN'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

Whereas, the state and federal regulations for the State Community Development Block Grant (CDBG) Program requires grantees and subrecipients to adopt a program income reuse plan to govern the accounting for and use of program income derived from CDBG assisted activities; and

Whereas, the City is required to update its program income reuse plan in order to continue utilizing its program income and receive CDBG grant funding.

Now therefore be it resolved that the City Manager or the Community Development Director is hereby authorized to execute the reuse plan certification and submit it for approval by the Department of Housing and Community Development.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Auburn held on June 29, 2009 by the following vote:

DATED: June 29, 2009

J.M. Holmes, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 10th day of December 2007 by the following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

Program Income Reuse Plan
City of Auburn
A Reuse Plan Governing Program Income From CDBG-Assisted Activities

The purpose of this plan is to establish guidelines on the policies and procedures for the administration and utilization of Program Income (PI) received as a result of activities funded under the State Community Development Block Grant (CDBG) Program.

Need for Plan Governing Reuse of Program Income. This Reuse Plan is intended to satisfy the requirements specified in Federal statute and regulation at Section 104 (j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489 (e) (3). These statutory and regulatory sections permit a unit of local government to retain program income for CDBG-eligible community development activities. Under federal guidelines adopted by the State of California's CDBG program, local governments are permitted to retain program income so long as the local government has received advance approval from the state of a local plan that will govern the expenditure of the program income. This plan has been developed to meet that requirement.

Program Income Defined. Program Income is defined in federal regulation at 24 CFR 570.489 (e) which specify that program income is the gross income received by the jurisdiction that has been directly generated from the use of CDBG funds. (For those program income-generating activities that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation). Examples of program income include: payments of principal and interest on housing rehabilitation or business loans made using CDBG funds; interest earned on program income pending its disposition, and interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; income (net of costs that are incidental to the generation of the income) from the use of rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating jurisdiction or subrecipient.

If the total amount of income generated from the use of CDBG funds (and retained by the City) during a single program year (July 1 through June 30) is less than \$25,000, then these funds shall not be deemed to be program income and shall not be subject to these policies and procedures. Costs incurred that are incidental to the generation of Program Income may be deducted from the gross income to determine the Program Income amount.

Portfolio Management Costs. Costs of managing the portfolio of CDBG and HOME-funded loans may be charged to PI under general administration or activity delivery within the allowable limits set by HCD.

General Administration (GA) Cost Limitation. Up to eighteen percent (18%) of the total program income expended on all activities during a single program year may be used for CDBG general administration expenses.

Reuses of Program Income. Program Income must be: a) disbursed for an activity funded under an open grant prior to drawing down additional Federal funds; b) forwarded to the State of California, Department of Housing and Community Development (DEPARTMENT); or c) distributed according to this Program Income Reuse Plan that has been approved by the DEPARTMENT. The City's program income will be used to fund *eligible* CDBG activities that meet a *national objective*. Eligible activities and national objective requirements are specified in federal statute at Section 105(a) and in federal regulations at 24 CFR 570.482 and 24 CFR 570.483.

The City reserves the option of utilizing program income to fund/augment a CDBG funded activity included in a grant agreement. In order to exercise this option the City must first follow the citizen participation process, hold a public hearing, obtain a governing body resolution, and obtain approval from the State CDBG Program. If an open grant activity is the same as a revolving loan account activity under this plan, then local PI funds must be spent prior to drawing down any open grant funds through the State.

Distribution for Reuse of Program Income. The City of Auburn's Program Income not committed to open grant activities will be distributed into the Revolving Loan Accounts (RLA) established to utilize the program income, allocation as follows:

- ❑ 100% of all Business Assistance Loan program income to be deposited into the Economic Development Business Assistance Revolving Loan Account.
- ❑ 100% of all Housing Rehabilitation Loan program income to be deposited into the Housing Rehabilitation Revolving Loan Account.

The City's program income shall be distributed, as follows:

ACTIVITY #1: ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE REVOLVING LOAN ACCOUNT

A Revolving Loan Account (RLA) is established to utilize the program income. All future program income not used for Activities #2 and #3 as outlined in this plan shall be deposited into the City's Economic Development Business Assistance Revolving Loan Account. The purposes and allowed uses of funds under the Economic Development and Business Assistance RLA are as follows:

This fund will be used to provide "gap" financing for businesses that can document the need for CDBG assistance and that will create or retain permanent jobs that will be filled by members of households which have an annual income that is eighty percent (80%) or less than the county median household income adjusted for household size. At least fifty-one percent (51%) of the funds expended for activities funded under this RLA shall be used on revolving activities (i.e., loans). Up to eighteen percent (18%) of the total program income expended on all activities during a single program year may be used for CDBG general administrative costs. Up to 49% of the total funds expended during the program year (July 1 thru June 30) can be spent for non-revolving activities (grants, activity delivery costs, and general administration.

Each loan processed under the RLA must be approved by State CDBG economic development staff. The funding of requests for CDBG loan or grant assistance under this RLA shall be conducted under the federal underwriting guidelines specified at 24 CFR 570.482(e) that have been adopted by the City and incorporated in the RLA's project review procedures. These guidelines will ensure that the amount and terms of the CDBG assistance are appropriate given the documented needs of the business and given the amount of public benefit (job creation/retention) that will result from the CDBG assisted project. In addition, any activity requesting funding under this RLA shall be determined to be eligible under Section 570.482 and Section 105(a) of the Act and shall be determined to provide sufficient public benefits as specified under 570.482(f). Any CDBG assistance for infrastructure shall meet the requirements of Section 570.483(b)(4)(F) which requires ongoing job tracking for all businesses benefiting from these improvements. All assistance provided to activities under this RLA shall be made for activities that are located within the City's jurisdiction.

National Objective: 24CFR 570.483(b)(4) – Job Creation and Retention.

Eligible Activity: 24CFR 570.482 and Section 105a

ACTIVITY #2: ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

Economic development strategies and action plans have been identified as a necessary element for effectively guiding local and regional efforts to expand, attract, retain and establish businesses, and to increase the number of new job opportunities for TIG households. Specifically, these strategies and plan outlined specific goals, objectives and action that can be utilized by local economic development staff, and supporting economic development and community based organizations to:

- ⇒ Outlined a vision for the community and develop broader goals for sustaining the current and long-term economic vitality of the community.

- ⇒ Identify the current base of businesses operating in an area to determine existing and potential industry *clusters* that are well suited for the community and present opportunities for business expansion and/or may serve as a base of suppliers/service providers to support the attraction of larger businesses.
- ⇒ Identify community assets (e.g., physical infrastructure, commercial property, workforce development services, professional service providers, business assistance programs, business loan programs, etc.) that can be used to assist existing and future businesses to sustain and expand operations.
- ⇒ Identify impediment or barriers that need to overcome to improve the climate for business expansion, retention, attraction and formation.
- ⇒ Outline specific short- and long-term actions to be undertaken to meet the economic development goals of the community.

In its efforts to expand jobs opportunities for TIG individuals and in conjunction with the Economic Development Business Assistance Revolving Loan Account, the City will fund this planning activity within the 18% general administrative cost limit. These funds will be used to pay for the preparation of an economic development strategy and action plan with a specific component for developing a commercial property inventory, a business inventory and business needs assessment. As discussed above, this activity will provide the City of Auburn with a guide to sustain and expand the level of business activity in the area and thus create new jobs for TIG households. Job creation will be accomplished by:

- ⇒ Formalizing the City's business expansion efforts by:
 - Providing a formal structure for pro-actively linking local and regional workforce development efforts for TIG households to employers as a service provided by the City to support businesses seeking to expand in the area.
 - Determining the needs of existing businesses relative to expansion (e.g., space, workforce, financing, etc.).
 - Providing the foundation for targeted marketing of the City's Revolving Loan Account to support business expansion through loans for equipment purchases, working capital, etc.
 - Providing a directory of existing commercial property both in terms of type (e.g., industrial, retail, office, etc.), occupancy and condition (e.g., Class A, B, etc.) that can be marketed to businesses seeking space to expand.
 - Providing a resource directory of local assets and programs that could assist a business with its expansion efforts.
- ⇒ Formalizing the City's business retention efforts by:
 - Providing a formal structure for pro-actively linking local and regional workforce development efforts for TIG households to employers as a service provided by the City to support businesses seeking to expand in the area.
 - Determining the needs of existing businesses relative to sustaining current operations and expansion (e.g., space, workforce, financing, etc.).
 - Providing the foundation for targeted marketing of the City's Revolving Loan Account to support business retention and expansion through loans for equipment purchases, working capital, etc.
 - Providing a resource directory of local assets and programs that would provide business owner's with continued support to sustain their operations.
- ⇒ Formalizing the City's efforts to support new business formation by:
 - Providing a formal structure for pro-actively linking local and regional workforce development efforts for TIG households to new employers as a service provided by the City to support businesses seeking to expand in the area.

- Determining the needs of small business community relative to starting and growing a business in Auburn (e.g., space, workforce, financing, etc.).
 - Providing the foundation for targeted marketing of the City's Revolving Loan Account to support new business formation and growth through loans for equipment purchases, working capital, etc.
 - Providing a resource directory of local assets and programs that would assist entrepreneurs in the formation of a new venture.
- ⇒ Formalizing the City's business attraction efforts. The strategy will support this effort by:
- Providing a formal structure for pro-actively linking local and regional workforce development efforts for TIG households to potential employers as a service provided by the City to support businesses seeking to locate to the area.
 - Providing a directory of existing businesses that can be used to show prospective business looking the locate in Auburn available suppliers/service providers as well as to show these businesses the area is can support their operations (i.e., business looking to locate within an area look at workforce issues both in terms of existing skills base as evidenced by a concentration of similar types of businesses, proximity to suppliers/service providers, etc.).
 - Providing clear direction to City staff as to the type and size of businesses best suited for Auburn.
 - Providing a directory of existing commercial property both in terms of type (e.g., industrial, retail, office, etc.), occupancy and condition (e.g., Class A, B, etc.) that can be marketed to businesses looking to move to the area, to new businesses being formed and to businesses seeking space to expand.
 - Providing a resource directory of local assets and programs that would be attractive to businesses. This will include the promotion of the City's Revolving Loan Account to support these efforts within the business attraction guidelines establish be HCD and HUD (e.g., the funds will not be used as an incentive to attract the business away from a community that has the capacity to meet the needs of the business, etc.)

An economic development strategy and action plan, with its subsequent activities to support business expansion, retention, formation and attraction, will have direct outcomes in increasing the level of business activity. These efforts will ultimately create jobs for TIG households in the area by improving the business environment in Auburn and by providing a guide for directing City and community resources in terms of staff, resources, loan funds and assistance programs in support of businesses within the City. The City understands that CDBG funds (including program income) cannot be used to induce businesses to located from a community that has the capacity to meet the needs of the business, and it cannot be used to relocate a business from one labor market to another even if the existing community can no longer meet its needs and is willing to attest to this fact.

The City reserves the option of utilizing PI within the 18 percent general administration annual cap to fund planning for CDBG-eligible activities. Such planning activities may include: cash match for a State CDBG Planning and Technical Assistance Grant; environmental reviews or other studies necessary for CDBG-eligible projects or programs; or application preparation for CDBG or other grants/loans to supplement funding for CDBG-eligible activities. The costs of such planning activities may be charged to an RLA if the planning is for the same activity as the RLA. Otherwise, PI may only be expended on planning activities in conjunction with an open CDBG Planning and Technical Assistance grant.

National Objective: 24CFR 570.483(b)(4) – Job Creation and Retention.

Eligible Activity: 24 CFR 570.205(a)(3)(iii) Eligible planning activities; Functional Plan; Economic Development and 24 CFR 570.205(a)(4)(v) Eligible planning activities; Other plans and studies; Strategies and action plans and Section 105a. Funding for this activity will be limited to 18% of the 49% of the non-revolving portion of the RLA allowed in a specific program year.

ACTIVITY #3: FAÇADE IMPROVEMENT PROGRAM

The City of Auburn has established a façade grant program to assist with the revitalization of building and storefronts in the City for the purposes of increasing the attraction of shoppers, visitors and new merchants and providing an improved operating environment for Auburn's existing business owners. The program is currently designed to provide a grant for 50% of the façade improvements up to \$5,000 with the remaining 50% to be covered by the building owners and business owner. As part of this effort, the City would like to provide additional assistance to those businesses owners that qualify under the CDBG micro-enterprise classification [the owner qualifies as a TIG household and the total number of employees is less than five as defined in 24CFR 570.208(a)(2)(iii)] with a grant of up to \$1,000 (50% of the project for projects with total costs not to exceed \$2,000 to avoid invoking Davis-Bacon wage requirements) using PI Reuse funds to increase the pool of funds available from the City. The principal purpose of the grant to the business will be for signage and for specific building enhancement that are specifically related to enhancing the operation of the business (e.g., unique color schemes that are part of the businesses image or merchandizing efforts, windows that enhance the visibility/merchandizing of the businesses goods and services, entranceways that enhance the access to—and visibility of—the business to its patrons or that improve the security of the building, and other eligible uses as determined by the Auburn EDC and approved by the DEPARTMENT.) The Façade Improvement program will be funded by program income that falls under the 49% of the non-revolving portion of the RLA.

National Objective: 24CFR 570.483(b)(2)(iv) – Limited Clientele Activities – Microenterprise Assistance

Eligible Activity: 570.482(c) - Provision of Assistance to Micro-Enterprise and Section 105a

Activity #4: Housing Rehabilitation Revolving Loan Account

The Housing Rehabilitation Loan Account (RLA) is established to utilize program income from the repayment of housing rehabilitation loans. This fund will be principally used for the purpose of making loans to rehabilitate residential units occupied by households which have an annual income which is 80 percent (80%) or less of the county's median income.

At least 51 percent (51%) of the funds expended for the activity funded under this RLA during the program year shall be used on revolving activities (i.e. loans).

No more than 25 percent (25%) of the program income funds actually expended during the program year under this RLA shall be expended for housing rehabilitation grants. No more than 19 percent (19%) of funds expended from this RLA shall be used for activity delivery costs. No more than 18 percent (18%) of the total amount of PI expended annual may be expended for general administration costs. In any event, the total expended for non-revolving activities (grants, activity delivery costs, and general administration) shall not exceed 49 percent of the total funds actually expended during the program year (July 1 through June 30).

The review and funding of requests for CDBG loan or grant assistance under this RLA shall be conducted under the Housing Rehabilitation Program Guidelines that have been adopted by the City of Auburn. All assistance provided for activities under this RLA shall be made for activities that are located within the City of Auburn city limits.

If the activities funded under the RLA are for the same activities as those funded under an open State CDBG grant agreement, then the funds available in this RLA shall be expended prior to drawing down funds from the State CDBG Program.

National Objective: 24CFR 570.483(b)(3) Low/Moderate Income Housing Activities

Eligible Activity: 24CFR 570.202(a)(1) Rehabilitation and Preservation Activities

Reporting and Federal Overlay Compliance.

The City shall comply with all State CDBG reporting requirements, including submittal of a single annual Grantee Performance Report that reports on all of the City's RLAs, and the required Quarterly and Annual Program Income Reports, which shows combined PI receipts and actual PI expenditures for all RLAs and grants on one report (see chapter 10 of the CDBG Grant Management Manual for due dates). The City shall ensure that the use of program income under this Reuse Plan complies with all CDBG program requirements, including citizen participation, environmental review, equal opportunity, Section 3 employment, lead-based paint, labor standards, acquisition and relocation, procurement, property management, and maintenance of adequate accounting and recordkeeping systems. To ensure ongoing compliance with CDBG requirements, the City shall utilize the latest available State CDBG Program Grant Management Manual for guidance on compliance procedures and policies. The City shall obtain the Department's written approval before proceeding with any PI-funded activity.

Maximum Funds in Revolving Loan Accounts.

Program Income received by the RLAs during the program year (July 1 through June 30) shall be substantially expended by the end of the program year (June 30). At any given time, the funding balance for either of the RLAs should not exceed the typical cost of a single RLA project, plus reasonable administration costs (up to 18 percent of total expended costs).

Revising this plan. The City Council has the authority to amend this document with a properly noticed Council meeting and approval by the State Department of Housing and Community Development (HCD).

Authority

The authority to take the actions outlined in this plan is assigned by the City Council of the City of Auburn to the City Manager, Community Development Director or his/her designee. No funds can be expended under this plan until the State has issued a written release-of-funds letter for the activity.

This certification is made under penalty of perjury under the laws of the State of California.

Certifying Official: Wilfred Wong, Community Development Director

Signature

(date)

RESOLUTION NO. 09-

RESOLUTION APPROVING SETTING ASIDE FUNDS FOR ADMINISTRATION AND
ACTIVITY DELIVERY FOR HOUSING REHABILITATION PROGRAM

THE AUBURN URBAN DEVELOPMENT AUTHORITY DOES HEREBY RESOLVE:

Whereas, the City of Auburn is submitting a 2009/2010 application to the State of California Housing and Community Development Department for Community Development Block Grant (CDBG) funds for a Housing Rehabilitation Program; and

Whereas, the City's 2008 Housing Element, Goal 2 states the City will encourage the maintenance, improvement and rehabilitation of the City's existing housing stock and residential neighborhoods; and

Whereas, the City's 2008 Housing Element, Policy 2.3 states the City shall pursue state and federal funding assistance to rehabilitate housing; and

Whereas, Implementation of a Housing Rehabilitation Program will help to preserve the City's existing housing stock affordable to lower income households by offering financing mechanism targeted to lower income households who otherwise may not have financing available for maintenance, repair and accessibility problems, as well as live in overcrowded situations; and

Now therefore be it resolved that the Auburn Urban Development Authority hereby set asides from the Low/Mod Set-Aside Fund \$70,000.00 for a Housing Rehabilitation Program for administration and activity delivery of the program.

DATED: June 29, 2009

J. M. Holmes, Chair

1 ATTEST:

2
3 _____
4 Joseph G. R. Labrie, Secretary

5 I, Joseph G. R. Labrie, Secretary of the Auburn Urban Development
6 Authority, hereby certify that the foregoing resolution was duly passed at a
7 special meeting of the Auburn Urban Development Authority held on the 29th
8 day of June 2009 by the following vote on roll call:

9 Ayes:

10 Noes:

11 Absent:

12 _____
13 Joseph G. R. Labrie, Secretary
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 09-

RESOLUTION APPROVING SUBRECIPIENT AGREEMENT WITH
THE BOYS AND GIRLS CLUB OF AUBURN

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby approve a
Subrecipient Agreement between the Boys and Girls Club of Auburn for General
Allocation of the State Community Development Block Grant (CDBG) Program.

The Community Development Director is hereby authorized and directed
to execute said Subrecipient Agreement on behalf of the City of Auburn.

DATED: June 29, 2009

J.M. Holmes, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
that the foregoing resolution was duly passed at a special meeting of the City
Council of the City of Auburn held on the 29th day of June 2009 by the
following vote on roll call:

Ayes:

Noes:

Absent:

Joseph G. R. Labrie, City Clerk

**SUBRECIPIENT AGREEMENT BETWEEN
THE CITY OF AUBURN
AND
THE BOYS & GIRLS CLUB OF AUBURN
FOR
GENERAL ALLOCATION OF THE STATE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

THIS AGREEMENT entered this 29th day of June, 2009 by and between the City of Auburn (herein called the "Grantee") and Boys & Girls Club of Auburn (herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the State of California Department of Housing and Community Development, State Community Development Block Grant Program (the "Department") originating from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering a CDBG FY2009-2010 General Allocation Program in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant Program:

Program Delivery

Activity #1 Boys & Girls Club of Auburn After School Development and Summer Educational Development Program.

Youth educational services will be expanded along with equipment and supplies provided to support the Learning Center and After School Educational Development Program. This will include purchase of tables, computers, projector, screen, cabinets, white boards, TV/VCR/DVD player, 2 way radios, folding chairs, kitchen supplies and 9 work stations. Activities include homework support, tutoring, art and science projects, computer instruction, cooking and performing arts for 1040 youth service days per month (52 newly served TIG youth@ 20 days per month). This program and activities will be conducted for 12,480 (1040 youth service days per month for 12 months) youth service days during the school year and summer at the new clubhouse for deserving members of the Boys & Girls Club. The program and activities will be administered by the staff of the Boys & Girls Club of Auburn.

Activity #2 School and Summer Recreation Program for the Boys & Girls Club of Auburn.

The program is a daily activity Monday through Friday. It will serve 1040 youth service days per month (52 newly served TIG youth@ 20 days per month). This program and activities will be conducted for 12,480 (1040 youth service days per month for 12 months) youth service days during the school year and summer at the new clubhouse for deserving members of the Boys & Girls Club. The program is provided to deserving youth and administered by the staff of the Boys & Girls Club.

B. National Objectives

The Subrecipient certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives - 1) benefit low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, 3) meet community development needs having a particular urgency - as defined in 24 CFR Part 570.208.

C. Levels of Accomplishment

In addition to the normal administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of program services:

<u>Activity</u>	<u>Units per Month</u>	<u>Total Units/Year</u>
Activity #1	1040*	12,480**
Activity #2	1040*	12,480**

* 52 newly served TIG youth@ 20 days per month

**1040 youth service days per month for 12 months

D. Staffing

To provide these expanded public services the following positions are needed: One full-time and seven part-time people from Subrecipient who will oversee delivery of "Activity #1" and one full-time and one part-time persons from Subrecipient will oversee "Activity #2." This is the Subrecipient staffing commitment to this CDBG grant.

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 19th day of August 2009 and end on the 19th day of August 2010. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the

Subrecipient remains in control of CDBG funds or other assets, including program income.

III. BUDGET

<u>Activity #1</u>		<u>Activity #2</u>	
<u>Line Item:</u>	<u>Amount:</u>	<u>Line Item:</u>	
Salaries & Benefits	\$151,450	Salaries & Benefits	\$45,500
Equipment Costs	<u>102,555</u>	Equipment Costs	<u>\$23,500</u>
TOTAL	\$254,005	TOTAL	\$69,000

Project Delivery Costs: \$24,225

Total amount of grant funds: \$347,230

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C) (2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to this budget must be approved in writing by the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total to be paid by the Grantee under this contract shall not exceed \$347,230 for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph III and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in OMB Circular A-110, Attachment F.

V. NOTICES

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Wilfred Wong
Community Development Director

City of Auburn, Grantee
1225 Lincoln Way, Room 3
Auburn, CA 95603
530-823-4211, ext 133
530-885-5508 (Fax)

Subrecipient

Randy Tooker
Chief Professional Officer

Boys & Girls Club of Auburn
679 Lincoln Way
Auburn, CA 95603
530-889-2273
530-889-2532 (Fax)

VI. SPECIAL CONDITIONS

Does not apply.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)). The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the Subrecipient is an independent subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of Attachment B of OMB Circular A-110, Bonding and Insurance.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the grantor agency in providing services through this contract. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and approved by the

Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial termination of the Scope of Service in Paragraph 1.A above may only be undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

The Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said contract funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with Attachment F of OMB Circular A-110 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR Part 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this contract for a period of four (4) years from the date the final expenditure report is submitted by the Grantee to the Department under the standard agreement. Records for non-expendable property acquired with funds under this contract shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by the Federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall

continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR Parts 570.503(b)(8), as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the Grantee or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and, as applicable, OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report monthly all program income as defined at 24 CFR 570.500(a) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the Grantee at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this contract based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and

program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

4. Payment Procedures

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this contract.

2. OMB Standards

The Subrecipient shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards as modified by 24 CFR 570.502(b)(6), covering utilization and disposal of property.

3. Travel

The subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this contract.

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING ELEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Antidisplacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 570.606(d) governing optional relocation policies. [The Grantee may preempt the optional policies.] The Subrecipient shall provide relocation assistance to persons (families, individuals, businesses, nonprofit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 50 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against the handicapped in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. W/MBE

The Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. EEO/AA Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CDR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeyworkers; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or

other disability exists which would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C.1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the

neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this contract without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontractors

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this contract, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The Subrecipient further covenants that in the performance of this agreement no person having such a financial interest shall be employed or retained by the Subrecipient hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or subrecipients that are receiving funds under the State CDBG program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or

modification of any Federal contract, grant, loan, or cooperative agreement;

- b. If any funds other than Federal appropriated funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
- d. Lobbying Certification - Paragraph d

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.200(j)

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this contract:

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section

114 and Section 308, and all regulations and guidelines issued thereunder.

- Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this contract shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and advisability and availability of blood level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this contract.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Auburn

Boys & Girls Club of Auburn

By: _____
Community Development Director

By: _____
Chief Professional Officer

Attest: _____
CITY CLERK

By: _____
FINANCE DIRECTOR

**APPROVED AS TO FORM AND LEGAL
SUFFICIENCY**

CITY ATTORNEY



Report to the Auburn City Council

Action Item	5
Agenda Item No.	
City Manager's Approval	

To: Honorable Mayor and City Council Members
From: Robert Richardson, City Manager
Andy Heath, Administrative Services Director
Date: June 29, 2009
Subject: Operating, Debt Service and Capital Project Budgets for
Fiscal Year 2009-10

The Issue

Shall the City Council authorize the revenue estimates and expenditure appropriations recommended by the City Manager for the operations of all City Funds for fiscal year 2009-10?

Action Requested

Review and consider recommended appropriations for the City's General, Enterprise, Special Revenue, Capital Projects and Debt Service Funds for fiscal year 2009-10.

- 1) By RESOLUTION, adopt revenue estimates and expenditure appropriations for all City Funds for fiscal year 2009-10 as summarized in the fund schedules presented with the Fiscal Year 2009-10 Proposed Budget.
- 2) By RESOLUTION, establish a General Fund "cash reserve" in the amount of \$3,305,493 as summarized in the General Fund schedule presented with the Fiscal Year 2009-10 Proposed Budget.

Background

As provided by Section 31.026(H) of Title 3 of the Auburn Municipal Code, the City Manager has compiled budget recommendations for City programs and projects for fiscal year 2009-10. As a means to develop the proposed budget, both the City Manager and the Administrative Services Director met with department heads and management staff to review funding requests consistent with goals and objectives outlined by the City Council and maintaining efficient and effective service delivery to the community. Funding priorities were determined based on Council directives and goals, revenue generation, cost efficiency, cost recovery, project delivery and improved public service and efficiency.

Analysis

The proposed budget outlines citywide revenue sources of \$26.2 million and Citywide expenditures of \$28.3 million. Taken as a whole, the proposed budget for fiscal year 2009-10 (FY 0910) includes \$14.4 million allocated to capital improvement and outlay activities – roughly 51% of all expenditures budgeted. Recommended capital expenditures include Phase I of the AUDA Streetscape Project, upgrades to the City's Wastewater Treatment Facility and improvements to the Borland Avenue Intersection. The FY 0910 spending plan also recommends appropriation of approximately \$700,000 towards the City's Street Overlay Program (includes a \$370,000 carryover of unexpended funds from prior years).

It is important to recognize that the budget presented herein represents staff's recommendation of a spending plan consistent with estimated funding availability. To the extent the State adopts a budget that adversely impacts local government revenue sources, staff will recommend additional budget balancing alternatives. A formal budget document will be developed and presented to the City Council upon adoption of a State budget or upon City Council request.

A discussion on key City funds follows below:

General Fund

The proposed budget recommends General Fund revenues of approximately \$8.4 million and expenditures of approximately \$8.7 million. The proposed budget for the General Fund anticipates using \$290,000 in unobligated fund balance (reserves) which includes, however, a \$150,000 contingency appropriation. To the extent the General Fund contingency is not used, the budgeted draw on reserves would be \$140,000.

General Fund revenues for FY 0910 are expected to be approximately 18.6% less than those budgeted for receipt in FY 0809. A variety of factors, including the contraction of the national and state economies, the ongoing housing crisis, and the "credit crunch" have significantly impacted the City's collections of sales taxes, property taxes and development-related revenues. Budgeted collections of sales taxes are expected to drop by 26% as consumers continue to spend less and gas prices remain well below their peak, experienced in the summer of 2008. Collections of property taxes are anticipated to decrease slightly as a result of no growth forecasted in the assessed valuation and declining supplemental collections. Finally, development-related revenues are expected to remain at low levels as the local economy continues to deal with the impacts of the economic contraction.

In response to the significant decrease in anticipated revenue collections, FY 0910 General Fund budgeted expenditures have been reduced by approximately \$1.6 million (15.8%) from those budgeted in FY 0809. The \$1.6 million in budget reductions represents implementation of the following strategies:

- Salary / benefit reductions of 10% for elected officials and management employees (\$150,000)
- Budgeted workforce reduction of 8.0 filled positions (\$480,000)
- Elimination of contract for Code Enforcement services (\$35,000)
- Continued deferral of General Fund capital outlay (\$314,500)
- Reductions in departmental services and supplies budgets (\$390,000)
- Vacancy savings for unfilled positions / capital cost transfers / position reallocations (\$230,000)

City staff has worked tirelessly to mitigate the impacts of the economic downturn on the City's General Fund and the need to use reserves. Staff continues to, however, monitor the progress of the State's budget development and the potential additional impacts that could be passed on to local governments once a State budget is adopted. State budget-balancing proposals previously considered have included alternatives that would have a devastating impact on the City's revenue base, including:

- Proposition 1A borrowing of 8% of property and property-related tax revenues (\$350,000)
- Elimination of the COPS grants to local governments (\$100,000)
- Suspension or elimination of Proposition 172 Public Safety Sales Tax (\$185,000)
- Elimination of booking fee subvention to counties (\$65,000)
- Deferral of subvention payments to cities to increase State's cash flow

The proposed budget outlined herein does not include any reductions to revenues resulting from the ultimate adoption of the State budget. To the extent General Fund revenues are adversely impacted by the State budget, staff will address anticipated shortfalls with additional budget reduction recommendations.

Finally, the proposed budget outlines recommended General Fund designated reserve levels consistent with a reserve policy adopted by the City Council in October 2003. Designated reserves are recommended as follows:

- Reserve for Economic Uncertainties	\$2,250,000
- Reserve for Prepaid Self-Insurance Equity	396,476
- Unobligated Fund Balance (1)	<u>659,017</u>

Total General Fund Designated Reserves: \$3,305,493

(1) Payments for compensated absence accruals due to terminated employees are made from Unobligated Fund Balance (the outstanding liability is currently \$1.15 million). The General Fund is also due to receive funds from various granting agencies to offset the prepayment of expenditures associated with the School Park Preserve (\$815,760).

Maintenance of adequate reserves demonstrates fiscal prudence to the extent the City is confronted with swings in business cycle uncertainty, natural disasters, and payments of long-term liabilities.

Airport Fund

It is anticipated that the Airport Fund will collect \$880,500 in revenue during FY 09-10. Rental / lease income is expected to increase with the addition of East Hangar Rows A, B and C. Expenditures of \$629,429 include \$140,000 in capital improvements related to the East Hangar Project, Waterline Project and Groundwater Remediation. The Airport is expected to have a fund balance of approximately \$272,000 at the end of FY 09-10.

Sewer Fund

It is anticipated that the Sewer Fund will issue \$8 million in bonds during FY 09-10 to allow for the compliance upgrade of the Wastewater Treatment Facility. Other major capital expenditures anticipated during FY 09-10 include \$700,000 towards the Vintage Oaks Lift Station and \$650,000 towards the Falcons Point Lift Station. Also budgeted is \$500,000 towards emergency sewer repairs. A Maintenance Worker II position has been reallocated from the General Fund to the Sewer Fund as an offset to the amount paid for the treatment facility contractor (OMI).

The Sewer Fund is expected to have the following reserves at the end of FY 09-10:

- Reserve for WWTP UV Disinfection	\$1,995,000
- Reserve for Regionalization Study	250,000
- Reserve for SWRCB Loan Coverage	200,350
- Reserve for Upgrade Bond Debt Service	650,000
- Unobligated Fund Balance	<u>1,520,164</u>
Total Reserves:	<u>\$4,615,514</u>

Gas Tax Fund

It is anticipated that the Gas Tax Fund will collect scheduled Gas Tax payments and the Proposition 42 allocation totaling approximately \$357,000. Typically, funds available for appropriation in the Gas Tax Fund are used to maintain the City's street and traffic lights, with the residual funding being allocated to the City's Street Overlay Program.

Recognizing that the State is considering as a budget balancing alternative the postponement and/or elimination of the Gas Tax payments to cities, the FY 09-10 budget recommends using available funds only for the street and traffic light program. Staff will monitor the progress of the State budget and recommend changes accordingly.

Transportation / Transit Funds

The City uses financing from a number of sources, including State and Federal programs, to build and maintain the street transportation and storm drain network. The Transportation Fund receives revenue through the Transportation Development Act Tax (TDA) and various grant programs. The FY 09-10 budget recommends \$1.3 million in

capital improvement expenditures, including improvements to the Borland Avenue intersection, the Street Overlay Program and the Palm Avenue Sidewalk Project.

The funding received through the TDA is typically first used to balance Transit Fund needs, with the remainder being allocated to the Transportation Fund. With the State's proposed elimination of the State Transit Assistance (STA) funding, the majority of TDA revenue was needed to balance out Transit Fund needs. The Transit Fund includes the purchase of three buses to be funded with equipment grants.

Redevelopment / Low/Moderate Set Aside Funds

It is anticipated that the City will begin Phase I of the Auburn Urban Development Authority (AUDA) Streetscape Project during FY 09-10. Funding for the Streetscape Project is available from Tax Allocation Bond proceeds received in October 2008. Additional upgrades to the Jury Parking Lot are also scheduled in the AUDA capital plan for FY 09-10.

It is further anticipated that the City's AUDA Low/Moderate Income Set Aside Fund will have a fund balance of \$657,000 at the end of FY 09-10.

Community Development Block Grant (CDBG) Fund

The City received a \$500,000 grant from the State Housing and Community Development Department in July 2008. These funds, in addition to existing CDBG fund balances of \$122,000 are available for business development loans to City businesses.

Solid Waste Management Funds

The Solid Waste Management Funds are used to account for recycling programs funded by State grants and program expenditures related to the City's closed landfill located at the Auburn Municipal Airport. Subsequent to future recommendation and approval by the City Council, the FY 09-10 budget for the Solid Waste Management Funds reallocates a portion of the franchise fee collected to the General Fund (\$90,000) due to the high fund balance available in the Solid Waste Fund. It is anticipated that the franchise fees will be reviewed and adjusted each year, if necessary, consistent with funding needs and subsequent to council approval.

Facilities and Equipment Plan (FEP) Fund

Funds available in the FEP fund during FY 09-10 will be used towards the final debt service payment on Fire Engine 1284, purchased in November 2005.

Alternatives Available to Council; Implications of Alternatives

1. Accept the City Manager's Fiscal Year 2009-10 Proposed Budget recommendations, as submitted herein.
2. Modify specific appropriations pursuant to City Council discussion.

Fiscal Impact

The Fiscal Year 2009-10 Proposed Budget balances recommended expenditures with anticipated revenues and carryover/reserve monies available for all budgeted fund types.

Attachments

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 09-
RESOLUTION APPROVING 2009-10 FISCAL YEAR BUDGET

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the 2009-10 Fiscal Year budgets for the City's General, Enterprise, Capital Projects, Debt Service, and Special Revenue Funds and does hereby authorize the funding and expenditures set forth therein. The revenue estimates and expenditure appropriations authorized for said funds are summarized in the Fiscal Year 2009-10 Proposed Budget. Copies of these budget documents are available for review at the Office of the City Clerk and in the Administrative Services Department.

DATED: June 29, 2009

J.M. Holmes, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 29th day of June 2009 by the following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 09-
RESOLUTION ESTABLISHING A GENERAL FUND CASH RESERVE IN THE
AMOUNT OF \$3,305,493 AS SUMMARIZED IN THE FISCAL YEAR 2009-10
PROPOSED BUDGET

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:
That the City Council of the City of Auburn does hereby establish a
General Fund cash reserve in the amount of \$3,305,493 as summarized in the
Fiscal Year 2009-10 Proposed Budget.
DATED: June 29, 2009

J.M. Holmes, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
that the foregoing resolution was duly passed at a regular meeting of the City
Council of the City of Auburn held on the 29th day of June 2009 by the
following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

City of Auburn
Budgeted Revenues / Expenditures / Fund Balance
Fiscal Year 2009-10

	REVENUES	EXPENDITURES	ENDING FUND BALANCE (INCLUDES RESERVES)	Capital Plan / Outlay
General Fund	\$ 8,428,100	8,718,170	3,305,493 (1)	25,000
Enterprise Funds				
Airport	\$ 880,500	629,429	272,589	140,000
Sewer Service	12,890,000 (2)	12,790,433 (2)	4,615,514	10,220,500
<i>Total Enterprise Funds</i>	<u>\$ 13,770,500</u>	<u>13,419,862</u>	<u>4,888,103</u>	<u>10,360,500</u>
Special Revenue Funds				
Gas Tax	\$ 362,530	190,000	474,572 (3)	-
Transportation	980,048	1,445,743	-	1,352,623
Transit	845,146	734,846	-	319,923
AUDA Low / Mod	143,000	5,000	657,799	-
AUDA Redevelopment	700,000	3,149,234	2,549,940	2,350,000
Fire Department Equipment	5,000	27,000	75,285	-
Community Dvlpmnt Block Grant	583,000 (4)	50,000	655,469	-
Solid Waste Management	89,000	187,500	1,101,929	-
Office of Traffic Safety	15,000	15,000	-	-
State Law Enforcement Personnel	100,000	100,000	-	-
Facilities & Equipment	25,750	96,858	26,373	-
<i>Total Special Revenue Funds</i>	<u>\$ 3,848,474</u>	<u>6,001,181</u>	<u>5,541,367</u>	<u>4,022,546</u>
Capital Projects Funds				
Auburn School Park Preserve	\$ 31,911	-	-	-
Highway 49 Beautification	-	-	-	-
<i>Total Capital Projects Funds</i>	<u>\$ 31,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service Funds				
G.O. Bond	\$ -	-	-	-
AUDA Debt Service	348,000	339,000	356,814	-
<i>Total Debt Service Funds</i>	<u>\$ 348,000</u>	<u>339,000</u>	<u>356,814</u>	<u>-</u>
<i>Total Citywide</i>	<u>\$ 26,426,985</u>	<u>28,478,213</u>	<u>14,091,777</u>	<u>14,408,046</u>
<i>Net Transfers</i>	<u>\$ 228,000</u>	<u>228,000</u>		
<i>Total Citywide Excluding Transfers</i>	<u>\$ 26,198,985</u>	<u>28,250,213</u>		

(1) Assumes General Fund Contingency of \$150,000 is unused.

(2) Assumes \$8 million in Revenue Bonds are sold and used to upgrade the Wastewater Treatment Facility.

(3) Portion of fund balance could be allocated to Street Overlay Project if Gas Tax / Prop. 42 funding remains intact.

(4) Includes \$500,000 Business Development Grant awarded in July 2008 (revenue source realized as loans are made by City).

City of Auburn
Fiscal Year 2009-10 Recommended Budget
General Fund Revenue and Expenditure Detail

	2006-07 Actuals	2007-08 Actuals	2008-09 Modified Budget	2008-09 Estimated	2009-10 Recommended Budget
REVENUES					
Taxes	\$ 8,005,870	7,545,026	7,730,122	6,782,341	6,497,500
Franchises	508,985	505,344	514,000	519,754	616,000
Licenses & Permits	491,859	335,078	349,400	288,100	286,100
Fines & Forfeitures	144,568	136,518	137,500	135,500	124,500
Interest Income	108,927	57,373	80,000	50,000	50,000
Property Rents & Leases	312,910	338,230	355,000	345,000	350,000
Other Government Agencies	353,025	246,149	262,000	225,000	238,000
Service Charges	234,051	239,204	246,000	138,781	136,000
Other Revenues	85,209	83,494	30,000	67,500	30,000
Other Financing Sources - CalPERS Bonds	-	-	-	-	-
Other Financing Sources - Hwy 49 Relinquishment	-	-	430,000	150,000	-
Transfers-In	100,000	100,000	223,510	223,510	100,000
Total Revenues	\$ 10,345,404	9,586,416	10,357,532	8,925,486	8,428,100
EXPENDITURES					
City Council	\$ 56,288	63,801	69,815	70,960	71,112
Police	3,617,745	3,685,587	3,836,539	3,638,500	3,207,582
Fire	1,600,008	1,592,838	1,673,709	1,790,322	1,569,232
Community Development	610,937	673,207	671,919	561,519	455,955
Building Inspections	274,292	278,196	213,617	209,692	194,974
Information Technology	433,593	272,248	364,838	199,700	180,532
Public Works	1,784,265	1,913,244	1,729,197	1,437,495	1,263,409
City Manager	188,981	197,242	119,798	143,962	137,432
Support for Community Projects	54,113	47,460	127,976	58,000	114,391
City Clerk	107,051	105,645	117,384	118,849	106,628
Administrative Services	570,826	601,742	579,309	584,000	538,923
City Attorney	188,735	139,241	170,000	135,000	150,000
Insurance Program	313,811	332,227	330,979	312,000	228,000
Transfers-Out to Other Funds	30,444	-	-	-	-
PERS Obligation Bonds - Debt Service	334,090	333,571	343,517	347,925	350,000
Fiscal Year 2006-07 Street Overlay Project	50,000	-	-	-	-
Other Financing Uses - CalPERS Bonds	-	-	-	-	-
Appropriation for Contingencies	-	-	-	-	150,000
Total Expenditures	\$ 10,215,179	10,236,249	10,348,597	9,607,924	8,718,170
Excess / (Deficit) of Revenues over Expenditures	\$ 130,225	(649,833)	8,935	(682,438)	(290,070)
Add-back Contingency	-	-	-	-	150,000
One-time Revenues	-	-	-	-	-
One-time Transfers (to)/ from Reserves	(581,370)	-	-	-	-
Annual Net Excess / (Deficit)	\$ (451,145)	(649,833)	8,935	(682,438)	(140,070)
Beginning Fund Balance	\$ 5,228,979	4,777,834	4,128,001	4,128,001	3,445,563
Ending Fund Balance	\$ 4,777,834	4,128,001	4,136,936	3,445,563	3,305,493
Less:					
Capital - Street Overlay Project	-	-	-	-	-
Economic Uncertainties	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
Prepaid Self-Insurance Equity	391,734	396,476	396,476	396,476	396,476
Amount Not Obligated at Year End	\$ 2,136,100	1,481,525	1,490,460	799,087	659,017

Unappropriated Liabilities:

Compensated Absences Liability Obligation	\$ 1,102,452	1,115,967	1,115,967	1,150,000	1,150,000
Park Preserve Obligation (grants not received)	1,552,438	1,123,958	1,123,958	815,760	815,760

City of Auburn
Fiscal Year 2009-10 Operating Budget
General Fund Revenue Account Detail

Description	2006-07 Actuals	2007-08 Actuals	2008-09 Estimated	2009-10 Recommended	% of Total
Property Taxes	\$ 2,435,632	2,510,224	2,448,000	2,400,000	28.48%
Property Tax in Lieu of Vehicle License Fee	871,116	925,899	944,718	945,000	11.21%
Sales Taxes	3,005,225	2,679,513	2,097,000	2,050,000	24.32%
ERAF in Lieu of Sales Tax	1,376,879	1,141,045	1,040,123	850,000	10.09%
Transient Occupancy Taxes	224,755	238,608	225,000	225,000	2.67%
Real Property Transfer Tax	92,263	49,737	27,500	27,500	0.33%
TOTAL TAXES	\$ 8,005,870	7,545,026	6,782,341	6,497,500	77.09%
Franchise - Gas & Electric	\$ 132,278	128,976	136,754	140,000	1.66%
Franchise - Solid Waste	295,719	295,876	297,000	390,000	4.63%
Franchise - Cable TV	80,988	80,492	86,000	86,000	1.02%
TOTAL FRANCHISES	\$ 508,985	505,344	519,754	616,000	7.31%
Business Licenses	\$ 164,157	172,737	167,000	165,000	1.96%
Dog Licenses	5,580	3,974	4,000	4,000	0.05%
TOTAL LICENSES	\$ 169,737	176,711	171,000	169,000	2.01%
Other Permits	\$ 10,459	9,598	6,000	6,000	0.07%
Home Occupancy Permits	737	803	700	700	0.01%
Building Permits	310,357	148,535	110,000	110,000	1.31%
SMIP Fees	569	(569)	400	400	0.00%
TOTAL PERMITS	\$ 322,122	158,367	117,100	117,100	1.39%
Traffic Fines	\$ 65,706	79,028	75,000	75,000	0.89%
Civil Fines	25,399	16,423	18,000	18,000	0.21%
Other Fines	26,599	18,991	15,000	15,000	0.18%
Parking Tickets	18,794	14,656	21,000	10,000	0.12%
Parking Lot / Space Permits	8,070	7,420	6,500	6,500	0.08%
TOTAL FINES & FORFEITURES	\$ 144,568	136,518	135,500	124,500	1.48%
Building Rents and Leases	\$ 312,910	338,230	345,000	350,000	4.15%
Interest Earnings	108,927	57,373	50,000	50,000	0.59%
TOTAL INTEREST & RENTALS	\$ 421,837	395,603	395,000	400,000	4.75%
Motor Vehicle In-Lieu	\$ 80,150	58,153	40,000	35,000	0.42%
Public Safety - Proposition 172	189,598	187,996	185,000	185,000	2.20%
Law Enforcement & Fire Protection Grants	-	-	-	-	0.00%
Jail Booking Fee Reimbursement	58,949	-	-	-	0.00%
SB90 Reimbursements	24,328	-	-	-	0.00%
DHS Grant - Offset Livescan Costs	-	-	-	18,000	0.21%
Gas Tax (2107.5)	-	-	-	-	0.00%
TOTAL FROM OTHER AGENCIES	\$ 353,025	246,149	225,000	238,000	2.82%
Engineering Costs Recovered	\$ 59,277	90,713	40,000	40,000	0.47%
Planning & Engineering Services	45,417	48,848	111	-	0.00%
Plan Check Fees	97,740	56,361	60,000	60,000	0.71%
Planning & Zoning Fees	22,373	34,116	25,000	25,000	0.30%
Weed Abatement Fees	650	255	2,670	500	0.01%
E.I.R. Fees	2,490	3,731	3,500	3,000	0.04%
Fingerprint Processing Fees	6,104	5,180	7,500	7,500	0.09%
TOTAL SERVICE CHARGES	\$ 234,051	239,204	138,781	136,000	1.61%
TOTAL OTHER REVENUES	\$ 85,209	83,494	217,500	30,000	0.36%
TOTAL OTHER FINANCING SOURCES	\$ -	-	-	-	0.00%
TOTAL TRANSFERS IN	\$ 100,000	100,000	223,510	100,000	1.19%
TOTAL GENERAL FUND	\$ 10,345,404	9,586,416	8,925,486	8,428,100	100.00%

City of Auburn
Fiscal Year 2009-10 Proposed Budget
General Fund

Departmental Expenditure Account Detail

	ACTUAL 2007-08	ESTIMATED 2008-09	PROPOSED 2009-10
<u>City Council</u>			
Personal Services	\$ 50,110	54,210	54,362
Services and Supplies	13,691	16,750	16,750
Capital Outlay	-	-	-
Total:	\$ 63,801	70,960	71,112
<u>Public Safety</u>			
Police			
Personal Services	\$ 3,409,978	3,397,000	2,952,582
Services and Supplies	271,864	235,000	255,000
Capital Outlay	3,745	6,500	-
Total:	\$ 3,685,587	3,638,500	3,207,582
Fire			
Personal Services	\$ 1,393,500	1,601,322	1,368,612
Services and Supplies	182,410	185,000	200,620
Capital Outlay	16,928	4,000	-
Total:	\$ 1,592,838	1,790,322	1,569,232
<u>Community Development</u>			
Community Development Administration			
Personal Services	\$ 333,897	393,794	348,768
Services and Supplies	157,650	35,825	35,000
Capital Outlay	-	-	-
Total:	\$ 491,547	429,619	383,768
Building Inspections			
Personal Services	\$ 269,607	202,692	187,974
Services and Supplies	8,589	7,000	7,000
Capital Outlay	-	-	-
Total:	\$ 278,196	209,692	194,974
Public Services Counter			
Personal Services	\$ 181,365	131,800	72,187
Services and Supplies	295	100	-
Capital Outlay	-	-	-
Total:	\$ 181,660	131,900	72,187

City of Auburn
Fiscal Year 2009-10 Proposed Budget
General Fund

Departmental Expenditure Account Detail

	ACTUAL 2007-08	ESTIMATED 2008-09	PROPOSED 2009-10
<u>Public Works</u>			
Public Works Administration & Engineering			
Personal Services	\$ 248,681	210,000	143,511
Services and Supplies	75,357	38,000	40,000
Capital Outlay	3,143	-	-
Total:	\$ 327,181	248,000	183,511
Building Maintenance			
Personal Services	\$ 126,083	-	-
Services and Supplies	218,044	253,450	260,000
Capital Outlay	35,064	7,500	12,500
Total:	\$ 379,191	260,950	272,500
Construction & Maintenance			
Personal Services	\$ 877,604	625,000	513,548
Services and Supplies	41,664	30,000	30,000
Capital Outlay	-	-	-
Total:	\$ 919,268	655,000	543,548
Yard & Shop			
Personal Services	\$ 156,149	160,000	161,850
Services and Supplies	95,054	80,000	80,000
Capital Outlay	5,096	10,000	-
Total:	\$ 256,299	250,000	241,850
Stormwater Management			
Personal Services	\$ -	-	-
Services and Supplies	30,399	22,000	22,000
Capital Outlay	906	1,545	-
Total:	\$ 31,305	23,545	22,000
<u>Strategic Support</u>			
City Manager			
Personal Services	\$ 103,318	85,000	77,432
Services and Supplies	93,924	58,962	60,000
Capital Outlay	-	-	-
Total:	\$ 197,242	143,962	137,432

City of Auburn
Fiscal Year 2009-10 Proposed Budget
General Fund

Departmental Expenditure Account Detail

	ACTUAL 2007-08	ESTIMATED 2008-09	PROPOSED 2009-10
<u>Strategic Support, cont.</u>			
Support for Community Projects			
Personal Services	\$ -	-	-
Services and Supplies	47,460	58,000	114,391
Capital Outlay	-	-	-
Total:	\$ 47,460	58,000	114,391
Finance / Administrative Services			
Personal Services	\$ 435,701	428,000	388,923
Services and Supplies	166,041	156,000	150,000
Capital Outlay	-	-	-
Total:	\$ 601,742	584,000	538,923
City Clerk			
Personal Services	\$ 95,312	98,849	98,628
Services and Supplies	10,333	20,000	8,000
Capital Outlay	-	-	-
Total:	\$ 105,645	118,849	106,628
Information Technology			
Personal Services	\$ 104,765	72,000	332
Services and Supplies	121,784	115,700	167,700
Capital Outlay / Contingency	45,699	12,000	12,500
Total:	\$ 272,248	199,700	180,532
City Attorney			
Personal Services	\$ -	-	-
Services and Supplies	139,241	135,000	150,000
Capital Outlay	-	-	-
Total:	\$ 139,241	135,000	150,000
Insurance Program			
Personal Services	\$ -	-	-
Services and Supplies	332,227	312,000	228,000
Capital Outlay	-	-	-
Total:	\$ 332,227	312,000	228,000
Transfers Out	\$ -	-	-
Appropriation for Contingencies	\$ -	-	150,000
Debt Service - CalPERS Pension Bonds	\$ 333,571	347,925	350,000
Total Appropriations - General Fund	\$ 10,236,249	\$ 9,607,924	\$ 8,718,170

City of Auburn
Fiscal Year 2009-10 Budget
Airport Enterprise Fund (Fund 02)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Property Taxes	\$ 33,802	35,000	36,181	35,000
Land Rental	437,644	445,000	463,120	485,000
Interest Earned	(1,378)	2,500	13,000	2,500
Airport Improvement Grant (FAA Grant)	34,824	-	-	-
Airport Improvement Grant (State Match)	-	-	-	-
State of California Aid to Airports Program	10,000	10,000	10,000	10,000
Developer Reimbursements	-	-	-	230,000
FBO & Aviation Fuel Sales	12,663	13,000	11,500	13,000
FBO Tie Down Spaces	46,551	46,000	43,000	45,000
Hangar Rental	52,970	53,000	48,000	48,000
Office Rental	6,311	9,500	12,000	12,000
Miscellaneous	16,775	-	3,500	-
Interfund Loan Proceeds	-	150,000	150,000	-
<i>Total:</i>	<u>\$ 650,162</u>	<u>764,000</u>	<u>790,301</u>	<u>880,500</u>
Expenditures:				
Administrative Expense - Staff Costs	\$ 117,944	47,979	28,000	46,079
Airport Operations	171,423	166,600	173,000	178,350
Debt Service	123,064	113,000	114,041	115,000
Capital Projects	173,839	360,000	429,582	140,000
Capital Equipment	-	-	-	-
Property Tax Fees	-	-	-	-
Interfund Loan Payback	-	-	-	150,000
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 586,270</u>	<u>687,579</u>	<u>744,623</u>	<u>629,429</u>
Excess (deficit) of revenues over expenditures	\$ 63,892	76,421	45,678	251,071
Beginning Fund Balance	(88,052)	(24,160)	(24,160)	21,518
Ending Fund Balance	<u>\$ (24,160)</u>	<u>52,261</u>	<u>21,518</u>	<u>272,589</u>
Personal Services Allocation				
	AUTHORIZED 2007-08	AUTHORIZED 2008-09	PROPOSED 2009-10	
Airport Manager	1.0	0.0	0.0	
<i>Total:</i>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	

City of Auburn
Fiscal Year 2009-10 Budget
Airport Enterprise Fund (Fund 02)
Capital Account Detail - Funding Sources and Uses

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Capital Revenue Sources				
FAA Grant Revenues				
AIP-08 (East Hangar & Road Project)	\$ 34,824	-	-	-
Capital Reimbursements				
Waterline Developer Reimbursements	-		-	230,000
<i>Total:</i>	<u>\$ 34,824</u>	<u>-</u>	<u>-</u>	<u>230,000</u>
Capital Expenditures				
63047 - Land Acquisition	\$ -	-	-	-
63048 - East End Hanger Project	161,358	-	65,099	50,000
63049 - East Access Road	-	-	-	-
63052 - Airport Master Plan	4,473	-	2,358	-
65020 - Airport Waterline Project	8,008	300,000	358,567	40,000
66001 - Groundwater Remediation	-	60,000	3,558	50,000
66002 - Airport Drainage Project	-	-	-	-
<i>Total:</i>	<u>\$ 173,839</u>	<u>360,000</u>	<u>429,582</u>	<u>140,000</u>
Net Capital Inflow / (Outflow)	<u>\$ (139,015)</u>	<u>(360,000)</u>	<u>(429,582)</u>	<u>90,000</u>

City of Auburn
Fiscal Year 2009-10 Budget
Sewer Enterprise Fund (Fund 11)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Sewer Service Charges	\$ 4,118,622	4,370,000	4,350,000	4,550,000
Sewer Connection Fees	315,014	100,000	18,746	50,000
Sewer Development Fees	(46,198)	-	-	-
Interest Income	180,032	160,000	125,000	140,000
Interfund Loans Paid Back	-	-	-	150,000
Debt Proceeds	-	-	-	8,000,000
<i>Total:</i>	<u>\$ 4,567,470</u>	<u>4,630,000</u>	<u>4,493,746</u>	<u>12,890,000</u>
Expenditures:				
Administrative Expense - Staff Costs	\$ 249,595	220,000	200,000	250,000
Materials and Services	325,993	410,800	475,000	390,550
Contract Operations	1,620,602	1,700,000	1,560,657	1,647,149
Debt Service	282,234	282,234	282,234	282,234
Capital Projects	1,216,350	2,929,500	1,859,928	10,207,500
Capital Outlay	15,926	15,000	10,350	13,000
Interfund Loans Made	-	150,000	150,000	-
<i>Total:</i>	<u>\$ 3,710,700</u>	<u>5,707,534</u>	<u>4,538,169</u>	<u>12,790,433</u>
Excess (deficit) of revenues over expenditures	\$ 856,770	(1,077,534)	(44,423)	99,567
Beginning Fund Balance	3,703,600	4,560,370	4,560,370	4,515,947
Less:				
Reserve for WWTP UV Disinfection	1,995,000	1,995,000	1,995,000	1,995,000
Reserve for Regionalization Study	250,000	250,000	250,000	250,000
Reserve for WWTP Upgrade Project	650,000	500,000	830,000	-
General Reserve (8%) - SWRCB Loans	198,274	200,350	201,431	200,350
Debt Service Reserve - Upgrade Project Bonds	-	-	-	650,000
Ending Fund Balance	<u>\$ 1,467,096</u>	<u>537,486</u>	<u>1,239,516</u>	<u>1,520,164</u>
Personal Services Allocation				
	AUTHORIZED 2007-08	AUTHORIZED 2008-09	PROPOSED 2009-10	
Associate Civil Engineer	1.0	1.0	1.0	
Engineering Tech II	1.0	1.0	1.0	
Maintenance Worker II	0.0	0.0	1.0	
<i>Total:</i>	<u>2.0</u>	<u>2.0</u>	<u>3.0</u>	

City of Auburn
Fiscal Year 2009-10 Budget
Sewer Enterprise Fund (Fund 11)
Capital Expenditure Detail

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Capital Expenditures				
63603 - Vactor Truck	\$ -	-	-	-
63856 - Auburn Ravine Sampling	6,815	7,500	6,300	7,000
63894 - Village Lane/Fulweiler Sewer	222	-	-	-
63895 - Lift Station Repairs	20,458	100,000	46,000	100,000
63897 - Canyon Court / Foresthill Ave.	25,138	10,000	1,500	-
63898 - North McDaniel / Skyridge Sewer	107,264	30,000	8,500	-
63899 - Emergency Sewer Repair Projects	701,059	500,000	625,000	500,000
63901 - Sewer Map Updates	2,861	3,000	6,500	3,000
63902 - Prospector Hill Sewer Projects	333	6,000	9,200	-
63903 - WWTP - Repairs / Projects	192,218	250,000	130,000	200,000
63913 - Gunite Ditch - WWTP	3,570	5,000	3,100	2,500
63914 - NPDES Permit Renewal	5,888	10,000	1,000	5,000
65001 - Back Flow Preventer Device	2,912	10,000	-	10,000
65008 - Vintage Oaks Liftstation	20,162	934,000	480,828	700,000
63702 - WWTP Upgrade / UV Project	127,450	800,000	470,000	8,000,000
63703 - Falcons Point Lift Station	-	200,000	40,000	650,000
66003 - Vactor Truck Repower	-	64,000	32,000	30,000
Total:	\$ 1,216,350	2,929,500	1,859,928	10,207,500

City of Auburn
Fiscal Year 2009-10 Budget
Gas Tax Fund (Fund 21)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
CA Gas Tax Section 2105	\$ 52,250	80,000	99,000	72,286
CA Gas Tax Section 2106	43,465	67,000	83,500	60,456
CA Gas Tax Section 2107	69,631	104,000	133,000	96,331
CA Gas Tax Section 2107.5	-	3,000	6,000	3,000
Proposition 42 Funds	-	120,539	114,372	125,457
Interest Income	2,709	1,500	5,000	5,000
<i>Total:</i>	<u>\$ 168,055</u>	<u>376,039</u>	<u>440,872</u>	<u>362,530</u>
Expenditures:				
Public Works Staff Allocations	\$ 5,491	7,000	7,000	10,000
Service and Supplies	170,866	175,000	180,000	180,000
Capital Projects	-	325,000	-	-
Transfers Out	-	-	-	-
<i>Total:</i>	<u>\$ 176,357</u>	<u>507,000</u>	<u>187,000</u>	<u>190,000</u>
Excess (deficit) of revenues over expenditures	\$ (8,302)	(130,961)	253,872	172,530
Beginning Fund Balance	56,472	48,170	48,170	302,042
Deferred Revenue (Gas Tax Holdback)	86,833	86,833	-	-
Ending Fund Balance	<u>\$ 135,003</u>	<u>4,042</u>	<u>302,042</u>	<u>474,572</u>

Capital Expenditure Detail

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Capital Expenditures				
63602 - FY0607 Annual Street Overlay	\$ -	-	-	-
65011 - FY0506 Annual Street Overlay	-	-	-	-
63074 - FY0708 Annual Street Overlay	-	100,000	-	-
66004 - FY0809 Annual Street Overlay	-	225,000	-	-
XXXXXX - FY 0910 Annual Street Overlay	-	-	-	-
<i>Total:</i>	<u>\$ -</u>	<u>325,000</u>	<u>-</u>	<u>-</u>

City of Auburn
Fiscal Year 2009-10 Budget
Transportation Fund (Fund 26)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Transportation Tax, TDA	\$ 387,965	294,452	255,927	37,259
SB1266 (Proposition 1B) Allocation	400,000	-	-	-
State Grant (Safe Routes to School)	-	419,400	419,400	-
Federal Funding, RSTP	329,534	102,000	27,124	106,251
Interest Income	(4,486)	-	5,000	-
Other Revenues / State Grant Sources	27,516	1,120,625	334,488	443,000
ARRA Funds - RSTP Exchange	-	-	-	393,538
Transfers-In	-	-	-	-
<i>Total:</i>	<u>\$ 1,140,529</u>	<u>1,936,477</u>	<u>1,041,939</u>	<u>980,048</u>
Expenditures:				
Administrative Expense	\$ -	-	-	-
Materials and Services	68,640	76,000	40,000	79,500
Debt Service	13,620	13,620	13,620	13,620
Capital Projects	564,090	2,316,079	1,000,587	1,352,623
Capital Outlay	7,965	-	-	-
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 654,315</u>	<u>2,405,699</u>	<u>1,054,207</u>	<u>1,445,743</u>
Excess (deficit) of revenues over expenditures	\$ 486,214	(469,222)	(12,268)	(465,695)
Beginning Fund Balance	(7,533)	478,681	478,681	466,413
Less:				
Deferred Revenue - Transportation Projects	78,681	9,459	66,413	718
Deferred Revenue - Proposition 1B Funding	400,000	-	400,000	-
Ending Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

City of Auburn
Fiscal Year 2009-10 Budget
Transportation Fund (Fund 26)
Capital Expenditure Detail

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Capital Expenditures				
63011 - Paving Projects - Public Works Dept.	\$ 1,223	100,000	1,081	100,000
63255 - Hale Street @ Orange Street Drain	436	-	-	-
63299 - Emergency Repairs - Storm Drains	20,394	10,000	3,756	10,000
63501 - Sidewalk Repairs - Residential	7,564	50,000	370	25,000
63502 - Roadway Annual Surface Resealing	-	-	-	-
63503 - Roadway Overlay Projects	-	-	-	-
63505 - East Lincoln Way Sidewalk Project	33,418	485,000	556,878	-
63507 - Nevada Street Traffic Signal	-	-	-	-
63510 - City Pavement Marking Project	14,955	30,000	603	25,000
63511 - Safe Routes to School	-	-	-	-
63513 - Nevada @ Fulweiler Traffic Signal	-	-	-	-
63515 - Multimodal Rail Station	4,552	54,449	-	-
63516 - Borland Intersection Improvements	31,140	660,000	10,394	426,000
63517 - Maidu Sidewalk Project	24,270	365,000	399,382	-
63518 - Highway 49 Operational Improvements	-	-	-	-
63602 - FY0607 Street Overlay	277,331	-	-	-
65011 - FY0506 Street Overlay	-	-	-	-
65012 - Storm Drain Channel - Downtown	-	50,000	624	-
65013 - Roadway Annual Crack Seal	-	-	-	-
65014 - Dairy Road Plan Line / Design	-	20,000	-	-
65019 - Agard/High/Oakwood Signal	437	-	-	-
63704 - FY0708 Street Overlay	148,370	226,630	25,314	171,623
66004 - FY0809 Street Overlay Project	-	200,000	-	200,000
66005 - Palm Avenue Sidewalk Project	-	65,000	2,185	65,000
XXXXXX - FY0910 Street Overlay Project	-	-	-	330,000
<i>Total:</i>	<u>\$ 564,090</u>	<u>2,316,079</u>	<u>1,000,587</u>	<u>1,352,623</u>

City of Auburn
Fiscal Year 2009-10 Budget
Transit Fund (Fund 27)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Transportation Tax LTF (Article 4)	\$ 328,851	300,000	261,097	484,141
Transportation Tax STA	46,417	109,042	23,396	-
Interest Income	(1,683)	-	(2,616)	-
Fare Box Revenues	38,156	30,000	40,374	38,000
Other Revenues (FTA)	60,000	-	-	-
Equipment Grants	298,070	164,255	150,000	300,170
Proposition 1B - PTMISEA	-	-	-	22,835
Miscellaneous Revenues	750	-	-	-
<i>Total:</i>	<u>\$ 770,561</u>	<u>603,297</u>	<u>472,251</u>	<u>845,146</u>
Expenditures:				
Administrative Expense	\$ 359,823	311,905	311,905	310,982
Materials and Services	88,541	96,400	85,000	94,900
Debt Service	-	-	-	-
Capital Projects	302,437	207,500	186,095	304,923
Capital Outlay	1,803	5,000	-	15,000
Transfers-Out	-	-	-	9,041
<i>Total:</i>	<u>\$ 752,604</u>	<u>620,805</u>	<u>583,000</u>	<u>734,846</u>
Excess (deficit) of revenues over expenditures	\$ 17,957	(17,508)	(110,749)	110,300
Beginning Fund Balance	-	17,957	449	(110,300)
Less:				
Deferred Revenue - Transportation Use	17,957	449	-	-
Ending Fund Balance	<u>\$ -</u>	<u>-</u>	<u>(110,300)</u>	<u>-</u>
Personal Services Allocation				
	AUTHORIZED 2007-08	AUTHORIZED 2008-09	PROPOSED 2009-10	
Bus Driver	2.5	2.5	2.5	
Transit Supervisor	1.0	1.0	1.0	
Analyst / Transit Manager	1.0	1.0	1.0	
<i>Total:</i>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	

City of Auburn
Fiscal Year 2009-10 Budget
Transit Fund (Fund 27)
Capital Expenditure Detail

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Capital Expenditures				
50301 - Capital Projects - Buildings	\$ -	-	-	-
50302 - Vehicles	-	190,000	185,925	304,923
63515 - Multimodal Rail Station	-	-	-	-
63605 - Slow Fill CNG Station	302,437	-	170	-
65015 - Corporation Yard Remodel	-	-	-	-
65016 - Bench Shelter Installation	-	4,000	-	-
65017 - Transit Kiosk / Vending Structure	-	3,500	-	-
66006 - Elder's Station Surveillance	-	10,000	-	-
<i>Total:</i>	<u>\$ 302,437</u>	<u>207,500</u>	<u>186,095</u>	<u>304,923</u>

City of Auburn
Fiscal Year 2009-10 Budget
Auburn Urban Development Authority Low / Mod Set-Aside Fund (Fund 34)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Interest Income	\$ 11,379	13,000	12,000	15,000
Other Revenues	-	-	-	-
Transfers-In from Other Funds	136,616	135,000	135,000	128,000
<i>Total:</i>	<u>\$ 147,995</u>	<u>148,000</u>	<u>147,000</u>	<u>143,000</u>
Expenditures:				
Administrative Expense	\$ 2,336	-	650	-
Contactual Services	1,479	5,000	3,195	5,000
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
<i>Total:</i>	<u>\$ 3,815</u>	<u>5,000</u>	<u>3,845</u>	<u>5,000</u>
Excess (deficit) of revenues over expenditures	\$ 144,180	143,000	143,155	138,000
Beginning Fund Balance	232,464	376,644	376,644	519,799
Ending Fund Balance	<u>\$ 376,644</u>	<u>519,644</u>	<u>519,799</u>	<u>657,799</u>

City of Auburn
Fiscal Year 2009-10 Budget
Auburn Urban Development Authority (Redevelopment) Fund (Fund 35)

	<u>ACTUAL</u> <u>2007-08</u>	<u>REVISED</u> <u>BUDGET</u> <u>2008-09</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>2008-09</u>	<u>PROPOSED</u> <u>2009-10</u>
Revenues:				
Property Taxes	\$ 683,079	670,000	670,000	640,000
Interest Income	61,441	60,000	55,000	60,000
Other Revenues	-	-	-	-
Proceeds of Bonds	-	4,625,000	4,702,323	-
<i>Total:</i>	<u>\$ 744,520</u>	<u>5,355,000</u>	<u>5,427,323</u>	<u>700,000</u>
Expenditures:				
Administrative Expense	\$ 120,925	136,766	175,000	175,000
Professional / Contractual Services	68,028	200,000	235,000	150,000
Special Projects	-	5,000	11,187	5,000
Debt Service	25,303	2,234	2,234	2,234
Capital Projects	306,698	2,800,000	365,000	2,350,000
Redevelopment Funding Shift - State	-	57,000	-	-
Transfers-Out for Low / Mod Set Aside	136,615	135,000	135,000	128,000
Transfers-out for Debt Service	-	678,000	678,000	339,000
Bond Closing Costs	-	-	105,223	-
<i>Total:</i>	<u>\$ 657,569</u>	<u>4,014,000</u>	<u>1,706,644</u>	<u>3,149,234</u>
Excess (deficit) of revenues over expenditures	\$ 86,951	1,341,000	3,720,679	(2,449,234)
Beginning Fund Balance	1,191,544	1,278,495	1,278,495	4,999,174
Less:				
Restricted Cash - Bond Proceeds	-	1,450,000	3,639,100	1,389,100
Restricted Cash - Pass Through Deferred	33,509	8,203	8,203	5,969
Ending Fund Balance	<u>\$ 1,244,986</u>	<u>1,161,292</u>	<u>1,351,871</u>	<u>1,154,871</u>

Capital Expenditure Detail

	<u>ACTUAL</u> <u>2007-08</u>	<u>REVISED</u> <u>BUDGET</u> <u>2008-09</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>2008-09</u>	<u>PROPOSED</u> <u>2009-10</u>
Capital Expenditures				
65021 - Lincoln Way Streetscape	\$ 306,698	2,800,000	300,000	2,250,000
66000 - Jury Parking Lot	-	-	65,000	100,000
<i>Total:</i>	<u>\$ -</u>	<u>-</u>	<u>365,000</u>	<u>2,350,000</u>

City of Auburn
Fiscal Year 2009-10 Budget
Fire Department Equipment Fund (Fund 63)

	<u>ACTUAL</u> <u>2007-08</u>	<u>REVISED</u> <u>BUDGET</u> <u>2008-09</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>2008-09</u>	<u>PROPOSED</u> <u>2009-10</u>
Revenues:				
CDF Reimbursements for Equipment Use	\$ 23,526	5,000	48,572	5,000
Other Revenues	-	-	-	-
<i>Total:</i>	<u>\$ 23,526</u>	<u>5,000</u>	<u>48,572</u>	<u>5,000</u>
Expenditures:				
Administrative Expenses	\$ -	-	-	-
Services and Supplies	7,432	2,500	8,730	27,000
Capital Outlay - Fire Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 7,432</u>	<u>2,500</u>	<u>8,730</u>	<u>27,000</u>
Excess (deficit) of revenues over expenditures	\$ 16,094	2,500	39,842	(22,000)
Beginning Fund Balance	41,349	57,443	57,443	97,285
Ending Fund Balance	<u>\$ 57,443</u>	<u>59,943</u>	<u>97,285</u>	<u>75,285</u>

City of Auburn
Fiscal Year 2009-10 Budget
Community Development Block Grant Funds (Fund 66)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Interest Income	\$ 4,969	2,000	2,000	3,000
Re-use Monies - Small Business Loans	72,055	75,000	80,000	80,000
Program Income Grant Funding	-	500,000	-	500,000
CDBG Grant Income - Boys & Girls Club	56,677	-	443,323	-
<i>Total:</i>	<u>\$ 133,701</u>	<u>577,000</u>	<u>525,323</u>	<u>583,000</u>
Expenditures:				
Administrative Expenses - RLF Small Business	\$ 31,643	50,000	45,000	50,000
Re-use Loans RLF - Small Business	100,000	500,000	-	-
CDBG Grant Expenditures - Boys & Girls Club	119,030	-	371,449	-
<i>Total:</i>	<u>\$ 250,673</u>	<u>550,000</u>	<u>416,449</u>	<u>50,000</u>
Excess (deficit) of revenues over expenditures	\$ (116,972)	27,000	108,874	533,000
Beginning Fund Balance	130,567	13,595	13,595	122,469
Less:				
Deferred Revenue - Revolving Fund Available	-	-	-	500,000
Ending Fund Balance	<u>\$ 13,595</u>	<u>40,595</u>	<u>122,469</u>	<u>155,469</u>

Note: The City of Auburn CDBG Revolving Loan Fund was awarded a \$500,000 grant effective in July 2008.

City of Auburn
Fiscal Year 2009-10 Budget
Solid Waste Management Funds (Funds 68 / 69)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Intergovernmental Revenues (Fund 68)	\$ 5,000	5,000	5,000	5,000
Franchise Fees (Fund 69)	139,358	140,000	140,000	50,000
Interest	52,468	40,000	30,000	34,000
Transfers-In from Other Funds	-	-	-	-
<i>Total:</i>	<u>\$ 196,826</u>	<u>185,000</u>	<u>175,000</u>	<u>89,000</u>
Expenditures:				
Insurance Expense	\$ 44,812	45,000	33,209	35,000
Contractual Expenses	148,542	150,000	150,000	150,000
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Salary Reimbursements	2,388	2,500	1,500	2,500
<i>Total:</i>	<u>\$ 195,742</u>	<u>197,500</u>	<u>184,709</u>	<u>187,500</u>
Excess (deficit) of revenues over expenditures	\$ 1,084	(12,500)	(9,709)	(98,500)
Beginning Fund Balance	1,209,054	1,210,138	1,210,138	1,200,429
Ending Fund Balance	<u>\$ 1,210,138</u>	<u>1,197,638</u>	<u>1,200,429</u>	<u>1,101,929</u>
Less:				
Reserve for Landfill Closure (Restricted)	<u>\$ 1,200,020</u>	<u>1,187,520</u>	<u>1,186,178</u>	<u>1,091,929</u>
Unrestricted Fund Balance	<u>\$ 10,118</u>	<u>10,118</u>	<u>14,251</u>	<u>10,000</u>

Notes:

Fund 68 is used to account for recycling programs funded by State grants

Fund 69 is used to account for program expenses related to the City's closed landfill located at the Auburn Municipal Airport

City of Auburn
Fiscal Year 2009-10 Budget
Office of Traffic Safety Grant Fund (Fund 75)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
State Grant Revenues	\$ 89,702	55,580	62,000	15,000
Interest Income	-	-	-	-
Transfers In	-	-	-	-
<i>Total:</i>	<u>\$ 89,702</u>	<u>55,580</u>	<u>62,000</u>	<u>15,000</u>
Expenditures:				
Personnel Expenses	\$ 47,404	23,397	27,000	4,000
Support Expenses	50,469	32,183	34,980	11,000
Debt Service	-	-	-	-
Capital Outlay - Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 97,873</u>	<u>55,580</u>	<u>61,980</u>	<u>15,000</u>
Excess (deficit) of revenues over expenditures	(8,171)	-	20	-
Beginning Fund Balance	8,151	(20)	(20)	-
Ending Fund Balance	<u>\$ (20)</u>	<u>(20)</u>	<u>-</u>	<u>-</u>

City of Auburn
Fiscal Year 2009-10 Budget
State Law Enforcement Personnel Grant Fund (Fund 77)

	<u>ACTUAL</u> <u>2007-08</u>	<u>REVISED</u> <u>BUDGET</u> <u>2008-09</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>2008-09</u>	<u>PROPOSED</u> <u>2009-10</u>
Revenues:				
State Grant Revenues	\$ 100,000	100,000	100,000	100,000
Interest Income	-	-	-	-
Transfers In	-	-	-	-
<i>Total:</i>	<u>\$ 100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Expenditures:				
Personnel Expenses	\$ -	-	-	-
Support Expenses	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay - Equipment	-	-	-	-
Transfers-Out	100,000	100,000	100,000	100,000
<i>Total:</i>	<u>\$ 100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Excess (deficit) of revenues over expenditures	\$ -	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

City of Auburn
Fiscal Year 2009-10 Budget
Facilities and Equipment Plan Fund (Fund 91)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Development Impact Fees	\$ 60,771	30,000	11,000	23,000
Interest Income	9,398	5,000	2,750	2,750
Other Revenues	25,000	-	-	-
Other Financing Sources	-	-	-	-
<i>Total:</i>	<u>\$ 95,169</u>	<u>35,000</u>	<u>13,750</u>	<u>25,750</u>
Expenditures:				
Administrative Expense	\$ 347	-	175	-
Contractual Expenses	-	-	-	-
Debt Service	96,858	96,858	96,858	96,858
Capital Outlay - Building Department	-	-	-	-
Capital Outlay - Police Department	8,229	-	-	-
Capital Outlay - Fire Department	-	-	-	-
Capital Outlay - Public Works Department	24,725	-	-	-
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 130,159</u>	<u>96,858</u>	<u>97,033</u>	<u>96,858</u>
Excess (deficit) of revenues over expenditures	\$ (34,990)	(61,858)	(83,283)	(71,108)
Beginning Fund Balance	215,754	180,764	180,764	97,481
Ending Fund Balance	<u>\$ 180,764</u>	<u>118,906</u>	<u>97,481</u>	<u>26,373</u>

City of Auburn
Fiscal Year 2009-10 Budget
Auburn School Relocation / Park Preserve Funds (Fund 29)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Grant Revenues	\$ 930,762	-	-	31,911
Interest	3,565	-	-	-
Gain on Disposal of Asset	-	-	-	-
Miscellaneous Revenues	-	-	-	-
<i>Total:</i>	<u>\$ 934,327</u>	<u>-</u>	<u>-</u>	<u>31,911</u>
Expenditures:				
Administrative Expense	\$ 153	-	500	-
Capital Projects	905,601	-	98,078	-
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ 905,754</u>	<u>-</u>	<u>98,578</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	\$ 28,573	-	(98,578)	31,911
Beginning Fund Balance	38,094	66,667	66,667	(31,911)
Ending Fund Balance	<u>66,667</u>	<u>66,667</u>	<u>(31,911)</u>	<u>-</u>

Capital Expenditure Detail

	ACTUAL 2006-07	REVISED BUDGET 2007-08	ESTIMATED ACTUAL 2007-08	PROPOSED 2008-09
Capital Expenditures				
62029 - AUSD Park Preserve Project	\$ 905,601	-	98,078	-
<i>Total:</i>	<u>\$ 905,601</u>	<u>-</u>	<u>98,078</u>	<u>-</u>

Note: The General Fund has advanced, in the form of Prepaid Expenditures, \$815,760 to cover initial costs of Park Preserve Project (paid to the Army Corp of Engineers) - which are ultimately anticipated to be reimbursed through community grant proceeds. As community grant proceeds are received, the Park Preserve Fund will be made whole, after which the General Fund Prepaid Expenditures will be reduced.

City of Auburn
Fiscal Year 2009-10 Budget
Highway 49 Beautification Plan Fund (Fund 61)

	ACTUAL 2007-08	REVISED BUDGET, 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Interest Income	\$ 3,180	-	-	-
Federal Grant Funds	-	-	-	-
Transfers In	-	-	-	-
<i>Total:</i>	<u>\$ 3,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Administrative Expenses	\$ 118	-	-	-
Capital Outlay	-	-	-	-
Residual Equity Transfers Out	-	67,715	67,715	-
<i>Total:</i>	<u>\$ 118</u>	<u>67,715</u>	<u>67,715</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	\$ 3,062	(67,715)	(67,715)	-
Beginning Fund Balance	64,653	67,715	67,715	-
Ending Fund Balance	<u>\$ 67,715</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTE: This fund is closed out as of July 1, 2009

City of Auburn
Fiscal Year 2009-10 Budget
Debt Service Fund - G.O. Bonds (Fund 30)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Property Taxes Collected	\$ 76,350	795	4,710	-
Interest Income	7,596	-	38	-
Transfers In	-	-	-	-
<i>Total:</i>	<u>\$ 83,946</u>	<u>795</u>	<u>4,748</u>	<u>-</u>
Expenditures:				
Administrative Expenses	\$ 1,535	-	-	-
Services and Supplies	-	-	-	-
Debt Service - Civic Center (G.O. Bonds)	156,500	155,625	155,625	-
Residual Equity Transfers Out	-	55,795	60,543	-
<i>Total:</i>	<u>\$ 158,035</u>	<u>211,420</u>	<u>216,168</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	\$ (74,089)	(210,625)	(211,420)	-
Beginning Fund Balance	285,509	211,420	211,420	-
Ending Fund Balance	<u>211,420</u>	<u>795</u>	<u>-</u>	<u>-</u>
Less:				
Reserve for Debt Service	\$ 155,625	-	-	-
Unrestricted cash balance - June 30	<u>\$ 55,795</u>	<u>795</u>	<u>-</u>	<u>-</u>

Note: The General Obligation Bond Debt Service Fund is closed out effective July 1, 2009 (FY 0910).

City of Auburn
Fiscal Year 2009-10 Budget
Auburn Urban Development Authority Debt Service Fund (Fund 33)

	ACTUAL 2007-08	REVISED BUDGET 2008-09	ESTIMATED ACTUAL 2008-09	PROPOSED 2009-10
Revenues:				
Interest Income	\$ -	12,000	7,500	9,000
Other Income	-	-	-	-
Transfers In - AUDA Bonds Issued	-	678,000	678,000	339,000
<i>Total:</i>	<u>\$ -</u>	<u>690,000</u>	<u>685,500</u>	<u>348,000</u>
Expenditures:				
Administrative Expenses	\$ -	-	-	-
Services and Supplies	-	-	-	-
Debt Service	-	339,000	337,686	339,000
Transfers-Out	-	-	-	-
<i>Total:</i>	<u>\$ -</u>	<u>339,000</u>	<u>337,686</u>	<u>339,000</u>
Excess (deficit) of revenues over expenditures	\$ -	351,000	347,814	9,000
Beginning Fund Balance	-	-	-	347,814
Ending Fund Balance	<u>\$ -</u>	<u>351,000</u>	<u>347,814</u>	<u>356,814</u>

